

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Special Session
Tuesday October 16, 2012
Immediately Following Special City Council
Council Chambers, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
5. **HRA Business**
 1. Consider Alternative Development Scenario - Sunwood Retail
 2. Approve Development Agreement - COR TWO
 3. Approve Documents Related to the Plat of COR TWO
 4. Approve Contract for Design Services - Sunwood Retail
 5. Approve Agreement Related to Pre-payment - The Residence at The COR
 6. Approve Option Agreement - Edgewood Management Group (portions may be closed to the public)
6. **Development Team Report**
7. **Commissioner Input**
8. **Adjournment**

Meeting Date: 10/16/2012**By:** Darren Lazan, Housing &
Redevelopment Authority

Information**Title:**

Consider Alternative Development Scenario - Sunwood Retail

Background:

On a number of occasions over the last 18 months, the HRA has considered a number of items related to the development of the area known as the Sunwood Retail area. This approximate five-acre parcel is located within the Sunwood Drive re-alignment area, bound on the north and east by the new Sunwood Drive, on the west by Armstrong Boulevard, and on the south by property owned by Sophia Ramsey, LLC.

For reasons unknown, the previous construction of Sunwood Drive was incorrect, and the current location is unsustainable, as the executed joint powers agreement with Anoka County, and the physical constraints of the current location relative to the intersection of Armstrong Boulevard and US Highway 10, preclude the current roadway alignment from remaining.

It has been contemplated that this area, currently owned by the HRA, would be re-platted, developed by the HRA and sold to three end-users. Agreements with these users are currently at different stages of completion.

Also contemplated in this project, is a resolution to significant concerns and damages expressed by Sophia Ramsey, LLC related to the loss of access they have realized through the roadway project. Understanding the significant value of this user to the overall project, the development team has worked with Sophia Ramsey for the last 12 months to arrive at a mutually acceptable solution to the issues at hand. This resolution includes:

- The contribution of a small parcel of land adjacent to their parcel
- The contribution of a larger share of the vacated Sunwood Drive
- The reconstruction of a shared access drive serving their lost connection to Sunwood.
- Construction of additional parking to serve their two parcels and relative current parking constraints
- Various construction coordination items related to lighting, irrigation, seed/sodding, stormwater treatment, etc.

After considerable discussion and a number of meetings to consider the matter, the HRA approved the purchase agreement and sale of Lot 3, Block 1, COR TWO to M&W Holdings, an entity owned by Jeff Wise, a sitting HRA Member. The issue of any potential conflict of interest related to this sale was addressed on a number of occasions, and the process outlined by the city attorney was followed and documented in a resolution passed on February 14th, 2012.

On October 9th, 2012, the HRA, in a regular meeting, voted 3-2 against entering into an agreement to purchase M&W's existing property, and tabled the agenda item related to the sale of Lot 3 to M&W indefinitely.

Acting on the direction from City Council and the HRA who previously approved both the acquisition and sale of these properties, the development team has spent considerable time and expenses on outlining, negotiating, and documenting the development of the project. Subsequent purchase agreements, term sheets, and negotiations with buyers of lots 4 and 5 have contemplated the sale of Lot 3 initiating the development, and performing certain improvements necessary for all 5 parties in the development.

Notification:

Observations:

The HRA's decision not to complete the transaction with M&W Holdings does not relieve it's obligation to perform under agreements with the other three parties in the development, and accordingly must consider an alternative approach to that which was outlined previously where M & W Holdings was completing those obligations under the agreement approved at that time.

Essentially, the HRA must now step in to the role outlined in the agreement and perform the initial improvements as outlined. This not only involves the construction of the improvements, but also the preparation of plans and specifications, construction administration and surveying, and the revisions to all the existing real estate documents, easements, covenants, restrictions, and ongoing maintenance obligations of the development. Once an eventual buyer for Lot 3 takes possession, the proceeds realized from that sale will recover some of these costs, and the buyer will assume all ongoing maintenance obligations.

The costs associated with this effort is outlined in the attached exhibit.

Failure to perform on the obligations outlined would result in a default on existing agreements on Lot 5, a potential loss of the sale on Lot 4, and significant degradation of the relationship with Sophia Ramsey, LLC. The likely outcome of these defaults would be considerable additional costs to the HRA.

Recommendation:

The development team recommends the HRA perform on the obligation outlined in the agreements associated with the development of the Sunwood Retail area, and ask the HRA to direct the development team modify all necessary plans, specifications, and legal documents as necessary, and perform on the obligations outlined in those agreements.

The development team recommends the HRA proceed with the approval and execution of the Development Agreement with the City and perform on the obligations therein as outlined in the case to follow.

The development team recommends the HRA proceed with the recordation of the final plat and all related documents as outlined in the case to follow.

Funding Source:

Future Land Sales

Council Action:

Approve the alternative development scenario outlined in the case and based on discussion, and direct the development team to proceed with the effort to assume the responsibilities related to the development and construction of the initial improvements.

Approve the revised budget for expenses related to the revision of documents necessary to perform on contracted obligations.

Approve the work order from Landform in the amount of \$58,100 to provide all necessary plans, specifications, construction administration, and construction staking necessary to complete the project.

Attachments

Prelim Budget

Executed PA - Lot 5

Work Order for Professional Services

Form Review

Inbox
Kurt Ulrich

Form Started By: Darren Lazan

Reviewed By
Kurt Ulrich

Final Approval Date: 10/11/2012

Date
10/11/2012 03:19 PM
Started On: 10/11/2012 09:31 AM

Preliminary Budget

Costs associated with proceeding with obligated improvements

Legal Expenses	\$ 15,000	Redraft of documents related to the existing development agreement and purchase agreements
Design/Surveying/Const. Admin		
Design Development	\$ 10,000	Previously approved HRA portion of the project
Construction Documents	\$ 20,000	Previously contracted with M & W Holdings
Watershed Approvals	\$ 4,600	HRA and Lot 3 shares of total costs
Construction Staking	\$ 8,500	Initial Improvements
Construction Administration	\$ 15,000	Initial Improvements
Construction (engineers estimate)		
Site Prep	\$ 31,935	
Grading	\$ 13,085	
Utilities	\$ 211,260	
Paving	\$ 123,518	
Misc	\$ 40,000	
Signage	\$ 60,000	
Contingency	\$ 23,990	5% Contingency
Development Fees	\$ 125,000	
Sureties	\$ 150,000	To be returned when improvement are complete, or waived by city
Additional DM Fees		
Wiser Choice Deal	\$ 25,000	roughly 40% of fees attributed to that deal - to be credited towards future deals
Solomon Coordination	\$ 10,000	extensive discussions/negotiation with solomon - represents capital improvements to their site.
TOTAL	\$ 886,888	

Notes:	Construction Recovered form Lots 4 and 5	\$ 200,000
	Development Fees recovered from lots 4 &5	\$ 80,000
	Improvement costs recovered from Lot 3	\$ 100,000
	Design/CA recovered from Lot 3	\$ 20,000
	DM Fees credited to Lot 3	\$ 25,000
	Sureties Returned	\$ 150,000
	Recoverable Costs	\$ 575,000
	Net project cost	\$ 311,888

PURCHASE AGREEMENT

Armstrong

THIS PURCHASE AGREEMENT ("Agreement") is made as of SEP 4, 2012, between THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the state of Minnesota ("Seller") and KONA PROPERTIES, LLC, a Minnesota limited liability company ("Buyer").

RECITALS

A. Seller is the owner of certain real property located in the City of Ramsey (the "City"), Anoka County, Minnesota legally described on Exhibit A (the "Property"). As used in this Agreement the term "Property" also includes all hereditaments and appurtenances to the Property. There are no improvements located on the Property. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

B. Seller desires to sell and Buyer desires to buy the Property for use as a convenience store/gas station subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

AGREEMENT

In consideration hereof, the parties agree as follows:

ARTICLE 1 RECITALS.

The foregoing recitals are incorporated herein by this reference.

ARTICLE 2 CONVEYANCE.

2.1 **Conveyance.** Subject to the terms and conditions of this Agreement, Seller shall convey the Property to Buyer at the Closing (as defined below).

ARTICLE 3 PURCHASE PRICE.

3.1 **Price.** The purchase price ("Purchase Price") for the Property shall be \$11.00 per gross square foot, based on the Survey defined in Section 4.2 hereof, rounded to the nearest whole square foot.

3.2 **Earnest Money.** Within two (2) business days after Seller's execution of this Agreement (the "Effective Date"), Buyer shall deposit earnest money in the amount of \$25,000 (the "Earnest Money") with Commercial Partners Title, LLC ("Title"). Title shall hold the Earnest Money in escrow pursuant to the provisions of the Earnest Money Escrow Agreement in the form attached hereto as Exhibit B. Buyer and Seller shall each pay one half of Title's fee, if any, for holding and disbursing the Earnest Money. Notwithstanding anything else in this Agreement to the contrary, unless Buyer

terminates this Agreement on or before 5:00 p.m. Local Time (defined in Section 14.11 below) on the Contingency Date (as defined in Section 6.2 below), the Earnest Money shall be disbursed to Seller and shall not be refundable to Buyer under any circumstances except for (a) Seller's uncured default under this Agreement; or (b) a timely termination of this Agreement by Buyer pursuant to Section 8.3 below.

3.3 Interest Bearing Account. The Earnest Money shall be placed in an interest bearing account by the Title Company. The term Earnest Money shall include any interest accrued on the amount deposited with Title.

3.4 Balance of Payment. The balance of the Purchase Price shall be paid in cash by wire transfer of immediately available funds on the Closing Date. At Closing, the Earnest Money shall be applied as a credit against the Purchase Price to be paid by Buyer to Seller.

ARTICLE 4 TITLE EXAMINATION.

4.1 Title Commitment. Seller shall, at Seller's expense and within 10 days after the Effective Date, furnish to Buyer a commitment ("**Title Commitment**") for an ALTA Form B 2006 owner's policy of title insurance ("**Policy**"), from Title covering all of the land that will be included within the Property, together with legible copies of all documents referenced therein and in the Survey (as defined below).

4.2 Survey. Seller shall, at Seller's expense and within 10 days after the Effective Date, furnish Buyer with a current ALTA/ACSM Land Title survey of the Property prepared by a surveyor registered under the laws of the Minnesota (the "**Survey**"). The Survey must be certified to Seller, Buyer, and Buyer's lender, if requested by Buyer, and Title. The Survey shall be prepared in accordance with the "Minimum Standard Detail Requirements" for ALTA/ACSM Land Title Surveys, jointly established by ALTA and ASCM in 2011, and shall include Items 1,3,4 and 19 of Table A thereof. Buyer shall pay for any Table A Items required by Buyer and/or its lender not listed above, any additional fieldwork or revisions to the Survey that Buyer may require, or any update to the Survey, at or before Closing, to reflect the final boundaries of the Property.

4.3 Objections. The date the Title Commitment, the underlying documents, as described in Section 4.1 above and the Survey have all been delivered to Buyer is the "Title Matters Delivery Date." Buyer shall have until and through ten (10) days following the Title Matters Delivery Date to notify Seller of specific objections that Buyer has to the Title Commitment (including any exception documents) and the Survey (the "Title Review Period"). Upon expiration of said Title Review Period, if Buyer has not notified Seller of any unacceptable items in the Commitment (including any exception documents) or the Survey, Buyer shall be deemed to have accepted all exceptions to title referenced in the Commitment and all matters shown on the Survey, and such accepted exceptions shall be included in the term "Permitted Exceptions" as used herein. In the event Buyer does object to any matters shown in the Commitment (including any exception documents) or the Survey within the Title Review Period, Seller shall have a period of ten (10) days, commencing on the day after the Effective Date of Notice (as defined in Section 14.4 below) of Buyer's objections and ending at 5:00 p.m. Central Daylight or Standard Time, as applicable, on the tenth (10th) day thereafter (the "Election Period"), to notify Buyer of Seller's election to cure or not cure any one or more of such objections, it being understood and agreed that Seller has no duty or obligation to cure or attempt to cure such objections. In the event that Seller is unable or unwilling to cure Buyer's objections prior to the expiration of the Election Period, Seller shall notify Buyer in writing of such fact prior to the expiration of the Election Period, it being understood and agreed that if Seller fails to provide such notice, Seller shall be deemed to have elected not to cure any

such objections. In such event, or if Seller shall fail to provide any such notice to Buyer, Buyer shall have until ten (10) days after the last day of the Election Period within which to either (a) waive Buyer's objections in writing and accept title to the Property subject to the matters which Seller has been unable or unwilling to cure; or (b) terminate this Agreement in writing and the Earnest Money shall be returned to Buyer and neither Seller nor Buyer shall have any further obligation hereunder, except as to those obligations provided for herein which are stated to survive termination of this Agreement. If Buyer does not so waive such objections in writing or so terminate this Agreement in writing Buyer shall be deemed to have waived Buyer's objections and accepted the Property subject to the matters which Seller has been unable or unwilling to eliminate and such accepted exceptions shall be included in the term "Permitted Exceptions".

4.4 **Policy.** At Closing, Seller will cause Title to furnish to Buyer a suitably marked up Title Commitment initialed by Title or a proforma title policy undertaking to issue the Policy in the form required by the Title Commitment as approved by Buyer and otherwise in accordance with this Agreement.

ARTICLE 5 COSTS AND FEES CONCERNING DEVELOPMENT OF PROPERTY.

5.1 **Seller's Plat Obligations.** The parties acknowledge and agree that the City Council of the City of Ramsey and all other governmental authorities with jurisdiction have approved the plat of COR TWO (the "Plat"), the subdivision in which the Property is located. A copy of the Plat is attached hereto as Exhibit C. The Plat will be recorded at the Closing of the earliest of Lot 3, 4 or 5 to close.

5.2 **Construction Reimbursement Obligations.** It is understood and agreed that the owner of Lot 3 will construct an access drive to serve Lots 3, 4 and 5, the plans for which have been approved by the City. At Closing, in addition to the Purchase Price, Buyer will pay to Seller that portion of the cost of construction of the access drive equal to a fraction of the cost of the entire access drive, the numerator of which is the number of square feet of the access drive lying on Lot 5 and the denominator of which is the total number of square feet of the access drive lying on Lots 3, 4 and 5, as evidenced by sheet C2.1 of the approved site plans dated July 25, 2012, and the cost of construction of any and all utilities extended to the site as part of that common construction equal to a fraction of the cost of the entire utility improvements, the numerator of which is the portion of the utilities serving Lot 5 and the denominator being the total cost of the utility improvements. An engineers opinion of probable construction costs are attached as Exhibit D. The provisions of this Section shall survive the Closing.

5.3 **Fees.** It is understood and agreed that the City's ordinances impose various fees and charges that are payable upon the approval of a final plat (the "Platting Fees"), and that, in connection with the approval referenced in Section 5.1 above, Seller has paid such Platting Fees, including those attributable to the Property. The Platting Fees attributable to the Property are \$39,201.00, and at Closing, in addition to the Purchase Price, Buyer shall pay such amount.

5.4 **Signage.** Attached hereto as Exhibits E-1 and F-1 are drawings showing the locations of the signage to be placed at the entry to the Property and the entry to the Project, respectively. Attached hereto as Exhibits E-2 (the "Drive Entry Sign") and F-2 (the "Project Entry Sign") are depictions of the signs to be placed in such locations. Buyer shall pay one third of the cost of construction of the Drive Entry Sign and the incidences thereof, including, without limitation, landscaping and shall be entitled to the use of one (1) 4 foot by 4 foot panel thereon. Buyer shall pay one third of the cost of construction of the Project Entry Sign and the incidences thereof, including, without limitation, landscaping and shall be entitled to the use of one (1) 6 foot by 8 foot panel thereon, which payment shall be made within thirty

(30) days after Seller bills Buyer for the cost thereof. After construction, Seller shall maintain the Drive Entry Sign and the Project Entry Sign including the incidences thereto, but retains the right to include the cost thereof in costs payable by Buyer as owner of Lot 5, by virtue of the Special Service District for COR TWO, among other properties, created by the Ramsey City Council. The provisions of this Section shall survive the Closing.

5.5 **Expenses of Buyer.** Buyer shall pay all other costs of the development of the Property, including, without limitation, obtaining an approved site plan for the Property, designing the stormwater management and drainage system for the Property; and designing and constructing Buyer's building, parking facilities, sanitary sewer and watermain connections, stormwater management and drainage system, landscaping and related improvements on the Property.

ARTICLE 6 DUE DILIGENCE; RIGHT OF ENTRY; CONTINGENCY DATE.

6.1 **Property Information.** Seller shall, within 5 business days after the Effective Date, deliver to Buyer engineering studies, analysis, soil test borings, environmental studies and other documents pertaining to the physical condition, development, and/or operation of the Property in Seller's possession or control, if any (the "**Property Information**"). Seller makes no representation or warranty to Buyer regarding the truth or accuracy of the information or data contained in the Property Information.

6.2 **Right of Entry.** During period commencing on the Effective Date, through and including the sixtieth (60th) day after the date of this Agreement (the "**Contingency Date**"), Buyer and its employees, agents and contractors shall have the right to enter the Property during normal business hours and upon reasonable prior notice to Seller to inspect the same, perform surveys, environmental assessments, soil and other tests and for other investigations and activities consistent with the purposes of this Agreement (collectively, the "**Inspections**"). Notwithstanding the foregoing, Buyer and its employees, agents and independent contractors shall have the right to enter onto the Property after the Contingency Date to show the Property to prospective lenders and others and to inspect the Property, but Buyer shall not conduct any Investigations after the Contingency Date.

6.3 **Damage.** All Inspections shall be conducted at reasonable times in such manner so as to not cause unreasonable interference with the use or occupancy of, or damage to, the Property. Buyer shall promptly repair any damage and restore the Property to its condition immediately prior to such entry and damage. If it is not reasonably practical to restore the Property to its condition prior to such Inspections, Buyer will not be required to restore the Property if prior to undertaking any such Inspections, Buyer receives written approval of Seller that it will not be required to restore the Property.

6.4 **Indemnity for Costs of Inspections.** Buyer shall promptly pay for all services rendered by its agents, employees and contractors to conduct the Inspections and provide the Data and Services, and shall not allow any mechanic's liens to attach to, or be filed against, the Property. Buyer shall indemnify, protect, defend and hold Seller harmless from and against any obligation, liability, claim (including any claim for damage to property or injury to or death of any persons), lien or encumbrance, loss, damage, cost or expense, including attorneys' fees, whether or not legal proceedings are instituted, in any way arising from the Inspections or examinations of the Property by Buyer or its agents, employees or contractors. The indemnity which is the subject of the preceding sentence shall not cover liability arising from the physical condition of the Property unless such physical condition is created by Buyer. Such agreement to repair and restore, and to indemnify and hold harmless Seller, shall survive Closing or any termination of this Agreement notwithstanding any provision to the contrary in this Agreement.

6.5 Indemnity for Injuries. The right of entry granted by this Section 6 shall be at Buyer's sole risk. Buyer shall indemnify, defend and hold Seller harmless against claims, damages, costs and expenses, including attorneys' fees, for injury, including death, to any person, or damage or loss of any kind to property, including the Property, that may occur as a result of Buyer's exercise of the rights granted under this Paragraph 6.

6.6 Approval or Termination.

(a) If Buyer has no objections to the results of Buyer's audits and inspections of the Property and the matters made available to Buyer pursuant to this Article 6, Buyer may continue this Agreement by delivering to Seller written notice (the "Approval Notice") on or prior to the Contingency Date.

(b) Buyer may, at Buyer's sole discretion and option, for any reason, at any time on or before the Contingency Date, elect to terminate this Agreement and not purchase the Projects, by giving written notice to Seller of such election to terminate (the "Termination Notice"). If Buyer neither delivers the Approval Notice nor the Termination Notice to Seller on or before the Contingency Date, it shall be deemed that Buyer shall have delivered the Approval Notice and the parties shall proceed to Closing as provided in this Agreement. Notwithstanding anything contained herein to the contrary, if Buyer delivers the Termination Notice on or prior to the Contingency Date, this Agreement shall terminate, and neither Seller nor Buyer shall have any further obligation under this Agreement, except as to those obligations provided for herein which are stated to survive termination of this Agreement. If Buyer delivers the Approval Notice or is deemed to have delivered the Approval Notice, Buyer shall be deemed to have waived the right to terminate this Agreement pursuant to this Section 6.6 and the parties shall proceed to Closing pursuant to the provisions of this Agreement.

ARTICLE 7

**CLOSING; CLOSING DATE; CLOSING DOCUMENTS; CONDITION SUBSEQUENT;
CLOSING COST ALLOCATIONS**

7.1 Closing; Closing Date. The Closing shall occur on the tenth (10th) day after the Contingency Date (the "Closing Date"). The Closing shall be held at 10:00 a.m. on the Closing Date at the offices of Title or at such other place, date and time as Seller and Buyer may agree in writing.

7.2 Seller's Closing Documents. At Closing, Seller shall execute, acknowledge (where appropriate), and deliver to Buyer and/or Title, as appropriate, the following, each dated as of the Closing Date.

(a) A Quitclaim Deed ("Deed") conveying to Buyer the Property, free and clear of any liens or encumbrances other than the Permitted Exceptions; provided however that the Deed will contain a restriction on the use of the Property as set forth on Exhibit G attached hereto.

(b) An affidavit indicating that on the Date of Closing there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller, that there has been no skill, labor or material furnished to the Property at the request of Seller for which mechanics' liens could be filed, and that there are no other unrecorded interests in the Property of any kind, including but not limited to any leasehold interests in the Property, except for Permitted Exceptions.

(c) A Certification Regarding Non-Foreign Status ("Non-Foreign Affidavit"), executed and sworn to under oath on behalf of Seller, in satisfaction of Section 1445(b)(4) of the Internal Revenue Code of 1986, as amended;

(d) An irrevocable title commitment, binding the Title Company to issue an Owner's Policy of Title Insurance (the "Owner's Policy"), dated as of the date of recordation of the Deed, insuring title to the Property in Buyer, in conformity with the Title Commitment and this Agreement, subject only to the Permitted Exceptions and recordation of the Deed;

(e) A certified copy of a Resolution of Seller's board of commissioners authorizing the execution of this Agreement and the performance of Seller's obligations under this Agreement to Buyer;

(f) The Plat;

(g) A settlement statement consistent with this Agreement; and

(h) Such other documents as may be reasonably and customarily required in connection with the transaction contemplated by this Agreement, each duly executed and acknowledged (where applicable) by Seller..

7.3 Buyer's Closing Documents. At Closing, Buyer shall execute, acknowledge (where appropriate), and deliver to Title and Seller the following, each dated as of the Closing Date:

(a) The balance of the Purchase Price, it being understood and agreed that the Earnest Money shall be applied to and credited against the Purchase Price and shall be disbursed to Seller by Title at Closing.;

(b) A standard form Purchaser's Affidavit;

(c) Evidence acceptable to Title as to the authority and capacity of the person or persons acting for Buyer to the transactions contemplated by this Agreement and the execution and delivery of closing documents to be delivered by Buyer at Closing;

(d) A Certificate of Real Estate Value;

(e) A settlement statement consistent with this Agreement executed by Buyer; and

(f) Such other documents as may be reasonably and customarily required in connection with the transaction contemplated by this Agreement, each duly executed and acknowledged (where applicable) by Buyer.

7.4 Closing Escrow. The parties acknowledge and agree that Closing may occur by delivery in escrow of the items set forth in Sections 7.2 and 7.3 above, with appropriate instructions for recording and disbursement consistent with this Agreement and that neither party need be physically present at Closing.

7.5 Conditions Subsequent.

(a) The Deed shall contain a reservation of a right of re-entry for breach of conditions subsequent in favor of Seller pursuant to which Seller may commence an action in

Anoka County District Court seeking a order re-vesting title to the Property in Seller if (i) Buyer does not commence construction of the improvements on the Property (the "Buyer Improvements") within 365 days after the date of the Deed; or (ii) Buyer does not substantially complete the construction of Buyer Improvements within 546 days after the date of the Deed. For purposes of this right of re-entry, Buyer will be deemed to have commenced construction when Buyer has (a) obtained building permits for the construction of Buyer Improvements; and (b) caused material or labor to be furnished to the Property in a manner and to an extent sufficient that a mechanic's lien for such work would attach and take effect pursuant to Minn. Stat. §514.05, and Buyer will be deemed to have substantially completed construction of Buyer Improvements when Buyer Improvements are sufficiently complete to make them eligible for receipt of a certificate of occupancy under the City's ordinances. To facilitate Buyer's acquisition of financing for the project, Seller will subject Seller's interest under the right of re-entry to the lien of a mortgage granted by Buyer provided Buyer and the Mortgagee agree that the proceeds of the loan that the mortgage secures must be used to pay hard or soft costs Buyer incurs in connection with the acquisition of the Property and the construction of Buyer Improvements and provided further that Buyer and mortgagee acknowledge, in writing, that if Buyer defaults in the performance of Buyer's obligations under the mortgage and the mortgagee forecloses before Buyer has satisfied the conditions of the right of re-entry, Seller may redeem the Property from foreclosure, as an owner, within the time allowed by law. The provisions of this Section 7.5 shall survive the Closing and the delivery of the Deed.

(b) It is understood and agreed that Buyer intends to engage a regional operator of first-class "C-stores and gas facilities." Not later than thirty (30) days prior to the Contingency Date, Buyer shall identify such operator by written notice to Seller. Seller shall have the right to approve said operator, which approval shall not be unreasonably withheld, and shall be given or denied within fifteen days after the identification of such operator to Seller in writing. Seller shall not be deemed to be acting unreasonably if it disapproves the proposed operator because the proposed operator has previously operated businesses in the City of Ramsey and has not complied with all City requirements for the operation of that facility.

7.6 Closing Cost Allocations. Each party shall pay its share of the closing costs which are customarily paid by a seller or buyer in a transaction of this character in the county where the Property is located, except as follows or as otherwise agreed:

(a) Seller shall pay the following Closing costs: (i) Seller's attorneys' fees and costs; (ii) the cost of the title examination and related searches; (iii) the cost of the Survey; and (iv) one-half (1/2) of Title's escrow/closing charges; and (vi) other Closing costs not expressly identified in this Section 7.6(a) and normally paid by sellers of comparable properties.

(b) Buyer shall pay the following Closing costs: (i) Buyer's attorneys' fees and costs; (ii) the costs and expenses of Buyer's audits and inspections of the Property and matters pertaining thereto; (iii) the premium for the owner's policy of title insurance and any additional premiums for obtaining endorsements to the Owner's Policy, if such endorsements are desired by Buyer; (iv) the cost of any lender's policy of title insurance and endorsements; (v) one-half (1/2) of Title's escrow/closing charges; and (vi) other Closing costs not expressly identified in this Section 7.6(b) and normally paid by buyers of comparable properties.

**ARTICLE 8
PRORATIONS**

8.1 **Real Estate Taxes.** In connection with recording the Plat, Seller shall pay the real estate taxes, if any, due and payable with respect to the HRA Property in the year the Plat is recorded. If the Plat is recorded in the year of Closing and if the HRA Property is not exempt from real estate taxes due and payable in the year of Closing, Buyer must reimburse Seller for Buyer's pro rata share of the real estate taxes due and payable with respect to the HRA Property in the year of Closing. Buyer's pro rata share shall be determined by multiplying the amount of the real estate taxes by a fraction, the number of which is the square foot area of the Property, and the denominator of which is the square foot area of the HRA Property. Seller and Buyer must then further pro rate the pro rata portion of the real estate taxes, if any, attributable to the Property on a per diem basis as of the Closing Date.

8.2 **Special Assessments.** Special assessments levied against the Property shall be prorated as of the Closing Date. Buyer must reimburse Seller for Buyer's pro rata share of installments of levied special assessments due and payable with respect to the HRA Property in the year of Closing. Buyer's pro rata share shall be determined by multiplying the amount of levied special assessments by a fraction, the number of which is the square foot area of the Property, and the denominator of which is the square foot area of the HRA Property. Seller and Buyer must then further pro rate the pro rata portion of the installments of levied special assessments attributable to the Property on a per diem basis as of the Closing Date.

8.3 **Master Declaration.** Seller agrees that it will take such steps as may be necessary to ensure that, as of the Contingency Date, the Property is not subject to that certain Master Declaration – Ramsey Town Center dated August 5, 2005, recorded in the Office of the Anoka County Recorder and the Anoka County Registrar of Titles as Document Nos. 1978252.001 (Abstract) and 484495.001 (Torrens) (the "**Master Declaration**"). Should Seller fail to do so, not later than the scheduled Closing Date, Buyer may, at its option, terminate this Agreement by written notice to Seller. Should Buyer fail to terminate this Agreement by the scheduled Closing Date (as set forth in Section 7.1 above), Buyer shall be deemed to have waived its right to terminate pursuant to this Section 8.3 and the parties will prorate any assessments levied against the Property pursuant to the terms of the Master Declaration on a per diem basis from January 1 of the year of Closing through the day before the Closing Date. Buyer will pay any assessments pending under the Master Declaration as of the Closing Date.

**ARTICLE 9
REPRESENTATIONS AND WARRANTIES OF SELLER.**

9.1 **Seller's Representations and Warranties.** Seller makes the following representations and warranties to Buyer:

(a) **Authority.** Seller has the legal authority to enter into this Agreement and sell the Property.

(b) **Litigation.** There are no actions, suits, proceedings or investigations pending against the Property, including, without limitation, (A) condemnation or eminent domain claims, actions or proceedings, or (B) actions to seize any portion of the Property under any civil or criminal law authorizing seizure or forfeiture as a penalty for violation.

(c) **No Tenants.** To the best of Seller's actual knowledge, there are no tenants or other third parties in possession of any portion of the Property.

(d) **Hazardous Substances.** To the best of Seller's actual knowledge: there are no Hazardous Substances located on the Property; the Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about Property; and the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas).

(e) **Minnesota Required Statutory Disclosures.** As required by statute, Seller hereby represents to Buyer that, to the best of Seller's actual knowledge, :

(i) There are no wells located on the Property.

(ii) There are no underground or above ground storage tanks of any size or type located on the Property.

(iii) Sewage is not currently generated at the Property.

(iv) There are no abandoned individual sewage treatment systems located on the Property.

(v) Methamphetamine production has not occurred on the property.

(f) **Non-Foreign Person.** Seller is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 1445 of the Internal Revenue Code.

(g) **Other Interests.** There are no unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interests relating to the Property and there are no persons in possession of any portion of the Property, except as may be disclosed by the Title Commitment or the Survey.

For purposes of the representations and warranties made in Section 9.1 hereof, the phrase "to Seller's knowledge" or any like phrase used therein, shall mean and refer to matters of which Kurt Ulrich, the Executive Director of Seller is currently, actually aware without inquiry or investigation.

9.2 Buyer's Representations and Warranties. Buyer makes the following representations and warranties to Seller:

(a) Buyer is a limited liability company, duly organized pursuant to the laws of the State of Minnesota, and is fully authorized to transact business in the State of Minnesota;

(b) The individual signing this Agreement on behalf of Buyer is fully authorized and empowered to sign this Agreement on Buyer's behalf; and

(c) To the best of Buyer's knowledge, Buyer is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001)(and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury and in any enabling legislation or other Executive Orders or regulations in respect thereof. Buyer is not on any list of terrorist or terrorist organizations or parties to which any United States person or entity is prohibited from doing business maintained by any governmental agency and available to the general public..

9.3 **Survival.** The representations set forth above will survive the Closing of this transaction and Seller's delivery of the Deed to Buyer for a period of ninety (90) days after the Closing Date, and action by either party for breach of the other's representations and warranties must be commenced within such ninety (90) day period by filing an action in Anoka District Court or such right shall be deemed waived.

ARTICLE 10 COMMISSIONS.

Seller and Buyer each agree to pay the commissions, if any, contracted by each of them, respectively, with a third party or parties, in accordance with separate agreements between the contracting parties; provided however that Seller agrees to pay a commission to Pine Creek Associates, LLC ("Buyer's Broker") which shall not exceed five percent (5%) of the Purchase Price; but provided further that Seller reserves the right to engage its own broker, in which case the commission payable to such broker and Buyer's Broker shall not exceed eight percent (8%) of the Purchase Price which Buyer's Broker shall be entitled to one-half (four percent (4%)) of the Purchase Price. Seller and Buyer warrant and represent to each other that all claims for brokerage fees, commissions or finders' or similar fees in connection with the transactions contemplated by this Agreement, insofar as such claims are based on agreements made by either party hereto, shall be paid by the contracting party hereto and the other party hereto shall have no obligation with respect thereto. Seller and Buyer shall each indemnify and hold the other harmless from and against all liability, loss, cost, damage or expense (including but not limited to attorneys' fees and costs of litigation) which the other party suffers or incurs because of any claim by any broker, agent or finder claiming by, through or under such indemnifying party, whether or not such claim is meritorious, for any compensation with respect to the sale and purchase of the Property or the execution of this Agreement.

ARTICLE 11 CONDEMNATION.

If a public or private entity with the power of eminent domain commences condemnation proceedings against all of any part of the Property, Seller must immediately notify Buyer, and Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Article 12. Buyer will have twenty (20) days from Buyer's receipt of Seller's notice to Buyer to exercise Buyer's termination right. If Buyer does not terminate this Agreement within said twenty (20) day period, the Parties must fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller must assign to Buyer, on the Closing Date, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller may not designate counsel, appear or otherwise act with respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

ARTICLE 12
DEFAULT; REMEDIES

12.1 If Buyer fails to consummate this Agreement for any reason whatsoever other than Seller's default, Seller may, as Seller's sole remedy, terminate this Agreement and retain the Earnest Money as liquidated damages, in which event neither Buyer nor Seller shall have any further obligations under this Agreement, except as to those obligations provided for herein which are intended to survive termination of this Agreement. Seller and Buyer acknowledge the difficulty and inconvenience of ascertaining Seller's actual damages in the event of Buyer's default and agree that the Earnest Money will be paid to Seller as liquidated damages and not as a penalty, which amount the parties agree is a reasonable sum considering all of the circumstances existing on the date of this Agreement, including, without limitation, the relationship of the amount of the Earnest Money to the range of harm to Seller that reasonably could be anticipated because of Buyer's breach hereof, Seller's anticipated use of the proceeds of sale and the fact that proof of actual damages would be impracticable.

12.2 If Seller fails to consummate this Agreement for any reason whatsoever, other than Buyer's default, Buyer shall, as Buyer's sole remedy, select any one of the following: (i) terminate this Agreement, in which event Buyer shall be entitled to return of the Earnest Money and neither Seller nor Buyer shall have any further obligations under this Agreement, except those matters expressly provided in this Agreement to survive termination; (ii) purchase the Project notwithstanding such default, with no reduction in the Purchase Price, pursuant to the remaining terms of this Agreement thereby waiving any claim for default or any claim for reimbursement to Buyer; or (iii) enforce specific performance of Seller's obligations under this Agreement; provided, however, that any such action for specific performance must be instituted, if at all, by commencement of such action ninety (90) days after the date of the breach or alleged breach by Seller, and, if such action is not so instituted within such period of time, the Buyer shall be deemed conclusively to have waived the right to institute such action and to have elected to pursue the other remedies provided hereinabove; if any, and provided further, however, that no action for specific performance may be instituted by Buyer against Seller with respect to any breach of a representation and warranty or failure of any condition due to any cause not reasonably within the control of Seller, Buyer's remedies in such event being limited to termination or waiver as described above. Buyer hereby expressly waives its rights to seek damages of any kind or nature, including, without limitation, special, indirect or consequential damages in the event of Seller's default hereunder.

12.3 In the event of litigation between Seller and Buyer regarding this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees, costs, and expenses (including expert fees and costs) incurred in connection with the prosecution or defense of such action, including any appeal, in addition to all other relief. For the purposes of this Agreement, "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise, settlement, judgment or otherwise. In addition, the non-prevailing party shall be responsible for payment of any and all actual third party costs and/or expenses (including, without limitation, reasonable attorney's fees and expert fees) incurred by the prevailing party in the enforcement of any of its rights and/or remedies under this Agreement, at law or in equity.

ARTICLE 13
AS-IS SALE; RELEASE

13.1 **As-Is Sale.** Except as otherwise specifically provided in Section 9.1 of this Agreement, Seller has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to: (a) the nature, quality or

condition of the Property, including, without limitation, the water, soil and geology; (b) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon; (c) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (d) the habitability, merchantability or fitness for a particular purpose of the Property; or (e) the presence of any endangered or threatened species on the Property, as well as the suitability of the Project as habitat for any of those species. WITHOUT LIMITING THE FOREGOING, EXCEPT AS SET FORTH IN SECTION 9.1, SELLER DOES NOT MAKE AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCE ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY AND ALL FEDERAL, STATE OR LOCAL ENVIRONMENTAL LAWS, ORDINANCES, REGULATIONS, ORDERS, DECREES OR RULES REGULATING, RELATING TO OR IMPOSING LIABILITY OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS SUBSTANCES. THE PROVISIONS OF THIS SECTION 13.1 SHALL SURVIVE THE CLOSING.

13.2 Release. EFFECTIVE ON THE CLOSING DATE, BUYER RELEASES SELLER AND ANY AGENT, REPRESENTATIVE, AFFILIATE, OFFICER, SHAREHOLDER OR EMPLOYEE OF SELLER (A "SELLER RELATED PARTY") FROM ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES WHICH ANY PURCHASER OR ANY PARTY RELATED TO OR AFFILIATED WITH BUYER (A "BUYER RELATED PARTY") HAS OR MAY HAVE ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO THE PHYSICAL CONDITION OF THE PROPERTY, AND ANY ENVIRONMENTAL CONDITIONS AT, IN, ON OR UNDER THE PROPERTY, AND BUYER WILL NOT LOOK TO SELLER OR ANY SELLER RELATED PARTY IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF. THIS RELEASE WILL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE TO SELLER. THIS SECTION 13.2 SHALL SURVIVE CLOSING.

ARTICLE 14 MISCELLANEOUS

14.1 Binding Effect; No Third Party Benefit. This Agreement and all of the terms, provisions and covenants contained herein apply to, are binding upon and inure to the benefit of the parties hereto, and subject to any restrictions on assignment contained herein, their respective successors and assigns. Except as otherwise expressly provided in this Agreement, Seller and Purchaser do not intend by any provision of this Agreement to confer any right, remedy or benefit upon any third party (express or implied), and no third party will be entitled to enforce or otherwise will acquire any right, remedy or benefit by reason of any provision of this Agreement.

14.2 Section Headings. Article and section headings used in this Agreement are for reference and identification only and are not intended to in any way limit or amplify the terms and provisions of this Agreement.

14.3 Time of Essence. Time is of the essence as to this Agreement and each and every provision hereof.

14.4 **Notices.** All notices, requests, demands, elections, offers, acceptances and other communications required or desired to be delivered hereunder shall be in writing and shall be deemed given, effective and received (whether refused or received) (the "**Effective Date of Notice**") on the earliest of (a) the date of personal delivery; (b) ten (10) days after deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested; (c) one (1) business day after deposit with a national overnight air courier, fees prepaid; or (d) the date of transmission via facsimile machine confirmed by the sender's machine facsimile transmission, or electronic mail sent to the intended addressee at the address set forth below, provided that a copy of the facsimile or electronic mail also is sent to the intended addressee by one of the means described in clauses (a) or (c) above; provided however, that if the notice is sent via electronic mail and the addressee responds via electronic mail, such response shall be deemed to constitute receipt by the addressee, in which case it shall not be necessary to send an original of the electronic mail communication as provided above. All of the communications describe in this Paragraph shall be addressed to the appropriate party at its address listed below:

To Seller: The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota
Ramsey Municipal Center\
7550 Sunwood Drive
Ramsey, Minnesota 55303
Attention: Kurt Ulrich, Executive Director
Telephone: 763-427-1410
Facsimile: 763-427-5543
Email: kurt.ulrich@cityoframsey.com

With a copy to: Fabyanske, Westra, Hart & Thomson, P.A.
800 LaSalle Avenue, Suite 1900
Minneapolis, Minnesota 55402
Attention: Judith E. Krow
Telephone: 612-359-7614
Facsimile: 612-359-7602
Email: jkrow@fwhtlaw.com

To Buyer: KONA Properties, LLC
1715 Yankee Doodle Rd #200
Eagan Minnesota 55121
Attention: Gary A. Gabrielson
Telephone: 612-670-1700
Facsimile: 952-285-6508
Email: gary@pinecreekassoc.com

Each of the above-listed addressees and notice parties may change its, his or her address and number for notice purposes under this paragraph by delivering to the other addressees a written notice of change of address and number in a manner specified in this paragraph for delivery of notices; provided however, no such change of address or number shall be effective against another addressee until written notice of such change is actually received by such addressee. Attorneys for either party may give notices and other communications as provided herein for the party such attorney represents.

14.5 **Assignment.** Buyer shall not have the right to assign this Agreement or any interest herein without the express written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed, and in the event Seller consents to such assignment, Buyer shall remain liable for, and the assignee shall assume, all obligations of Buyer hereunder. Notwithstanding the foregoing,

Buyer shall have the right, without Seller's consent, but with prior written notice to Seller not later than five (5) days prior to the Closing Date, to assign this Agreement to an entity in which the direct or indirect owners of Buyer have a direct or indirect interest.

14.6 Complete Agreement. This Agreement contains the entire agreement of Seller and Buyer with respect to the subject matter hereof, and may not be varied, amended, or superseded except by written agreement between the parties hereto.

14.7 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, the legality, validity, and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement a provision as close in meaning to such illegal, invalid or unenforceable provision as may be possible and be legal, valid, and enforceable.

14.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota.

14.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original hereof, and all of which taken together shall constitute one and the same agreement.

14.10 Exhibits. All references in this Agreement to exhibits are references to exhibits attached to this Agreement, all of which are made a part of this Agreement for all purposes. If any exhibit attached to this Agreement contains blanks, the same, and any exhibits thereto, shall be completed correctly and in accordance with the terms and provisions contained in this Agreement prior to or at the time of execution and delivery thereof.

14.11 Days. Any reference to "day" or "days" in this Agreement shall, unless the context clearly requires otherwise, mean calendar days. Any reference to "business days" shall mean calendar days excluding Saturdays, Sundays, or legal holidays of the State of Minnesota. Any time period provided herein (whether relating to delivery of documents or other items, or relating to the inspection period, Closing or any other matter) which ends on a day which is not a business day shall be deemed to be extended to, and to end on, the next business day succeeding such day. Any reference to "Local Time" shall mean standard or daylight savings time then in effect in the time zone where the Property is located.

14.12 No Waiver. Neither the failure of either party to exercise any power given hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof constitutes a waiver of either party's right to demand compliance with the terms hereof.

14.13 No Joint Venture; Partnership. Seller and Buyer, by entering into this Agreement and the transactions contemplated hereby, shall not be considered joint venturers or partners.

14.14 Gender, Number and Language of Inclusion. As used in this Agreement, the singular shall include the plural and vice versa, the masculine, feminine and neuter adjectives shall include one another.

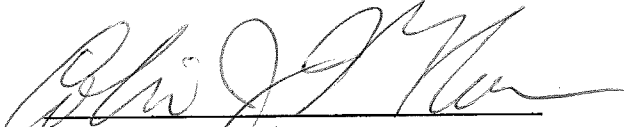
14.15 **Construction.** The rule of strict construction shall not apply to this Agreement. This Agreement shall not be interpreted in favor of or against either Seller or Buyer merely because of their respective efforts in preparing it.

SIGNATURE PAGES FOLLOW

SELLER'S SIGNATURE PAGE
TO
PURCHASE AGREEMENT
BETWEEN
THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY,
MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE
STATE OF MINNESOTA
AND
KONA PROPERTIES, LLC, A MINNESOTA LIMITED LIABILITY COMPANY

SELLER:

**THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS
OF THE STATE OF MINNESOTA**

By: 
Name: Colin McGlone
Title: Board Chair

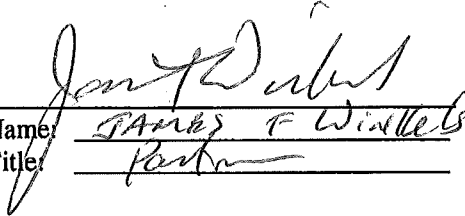
By: 
Name: Kurt Ulrich
Title: Executive Director

(Separate Signature Page to Purchase Agreement)

BUYER'S SIGNATURE PAGE
TO
PURCHASE AGREEMENT
BETWEEN
THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY,
MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE
STATE OF MINNESOTA
AND
KONA PROPERTIES, LLC, A MINNESOTA LIMITED LIABILITY COMPANY

BUYER:

KONA PROPERTIES, LLC, a Minnesota limited liability company

By: 
Name: JAMES F Winkels
Title: Partner

(Separate Signature Page to Purchase Agreement)

LIST OF EXHIBITS

- Exhibit A – Legal Description of Property
- Exhibit B – Form of Earnest Money Escrow Agreement
- Exhibit C – Plat
- Exhibit D - Engineer's Estimate of Construction Costs
- Exhibit E-1 – Location of Signage – Drive Entry
- Exhibit E-2 – Depiction of Signage – Drive Entry
- Exhibit F-1 – Location of Signage – Project Entry
- Exhibit F-2 – Depiction of Signage – Project Entry
- Exhibit F – Use Restriction

EXHIBIT A

THAT PART OF OUTLOT H, RAMSEY TOWN CENTER, ANOKA COUNTY, MINNESOTA DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID OUTLOT H, THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST ASSUMED BEARING ALONG THE WEST LINE OF SAID OUTLOT H, A DISTANCE OF 118.48 FEET; THENCE NORTH 44 DEGREES 47 MINUTES 55 SECONDS EAST, A DISTANCE OF 28.29 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, A DISTANCE OF 235.50 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, A DISTANCE OF 77.65 FEET; THENCE SOUTHEASTERLY 163.29 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 115.00 FEET AND A CENTRAL ANGLE OF 81 DEGREES 21 MINUTES 18 SECONDS; THENCE SOUTH 08 DEGREES 50 MINUTES 56 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 54.52 FEET; THENCE SOUTHERLY 72.31 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 479.00 FEET AND A CENTRAL ANGLE OF 08 DEGREES 38 MINUTES 59 SECONDS; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 77.30 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, A DISTANCE OF 59.99 FEET; THENCE NORTHWESTERLY 90.79 FEET ALONG A TANGENTIAL CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 26 DEGREES 00 MINUTES 33 SECONDS; THENCE NORTH 64 DEGREES 11 MINUTES 24 SECONDS WEST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 50.94 FEET; THENCE NORTH 05 DEGREES 41 MINUTES 40 SECONDS WEST, A DISTANCE OF 75.58 FEET; THENCE NORTHERLY 47.96 FEET ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 05 DEGREES 29 MINUTES 43 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, A DISTANCE OF 104.81 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Form of Earnest Money Escrow Agreement

EARNEST MONEY ESCROW AGREEMENT

THIS EARNEST MONEY ESCROW AGREEMENT ("Agreement") is made as of August ____, 2012, by and among THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the state of Minnesota ("Seller") and KONA PROPERTIES, LLC, a Minnesota limited liability company ("Buyer") and COMMERCIAL PARTNERS TITLE, LLC, a Minnesota limited liability company ("Escrow Agent").

RECITALS:

A. By that certain Purchase Agreement dated of even date herewith ("Purchase Agreement"), between Seller and Buyer, Seller has agreed to sell to Buyer or its affiliates, and Buyer to purchase or cause its affiliates to purchase from Seller all of its right, title and interest in and to certain real property located in the City of Ramsey, Minnesota as more fully described therein (the "Subject Property"), upon and subject to the terms and provisions set forth in the Purchase Agreement.

B. Seller and Buyer desire that Escrow Agent act as escrowee to receive, hold and disburse funds in the manner hereinafter set forth.

C. Unless otherwise provided herein, all capitalized words and terms used herein shall have the same meanings ascribed to such words and terms as in the Purchase Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Within two (2) business days following the execution of the Purchase Agreement, Buyer shall deposit with Escrow Agent the sum of Twenty Five Thousand no/100 Dollars (\$25,000.00) as the deposit ("Deposit"). Upon receipt by Escrow Agent, the Deposit shall be invested in Escrow Agent's customary money market account. Interest accrued on the Deposit shall belong, and be paid, to the party entitled to the Deposit and the Deposit shall include such accrued interest pursuant to the Agreement. Escrow Agent shall acknowledge to Seller, in writing, receipt of the Initial Deposit and Additional Deposit when it is delivered to Escrow Agent.

2. Buyer's Tax Identification Number is _____.

3. Seller's Tax Identification Number is _____.

4. Escrow Agent is hereby released and exculpated of all liability whatsoever arising out of or in connection with its activities as Escrow Agent hereunder, except to the extent of loss or damage caused by its negligence, breach of fiduciary duty, failure to comply with the terms of this Earnest Money Escrow Agreement or willful misconduct. Buyer and Seller hereby jointly indemnify and hold Escrow Agent harmless from and against any and all claims, liabilities, judgments, attorney's fees and other expenses of every kind or nature arising out of this Earnest Money Escrow Agreement, other than

such claims, liabilities, judgments, attorney's fees and other expenses resulting from the negligence, breach of fiduciary duty or willful misconduct of Escrow Agent or Escrow Agent's failure to comply with the terms of this Earnest Money Escrow Agreement.

5. In the event Escrow Agent receives written notice of default, non-performance, dispute or exercise of right under the Purchase Agreement from Seller or Buyer accompanied by a demand for delivery to such party of the Deposit, Escrow Agent is immediately to give written notice to the other party of such claim and accompanying demand. In the event the other party fails to dispute or object to such claim and demand within five (5) business days from the date of Escrow Agent's written notice, Escrow Agent is authorized to deliver the Deposit to the party making such claim and demand. In the event the other party disputes or objects to the aforesaid claim and demand within the 5-business day period prescribed herein, Escrow Agent is not to deliver the Deposit deposited hereunder without receipt of a mutual agreement of the parties, in writing, or appropriate court order. In such an event, Escrow Agent shall either hold the same, or at Escrow Agent's election, deposit the same with a court of competent jurisdiction to determine how the Deposit should be disbursed. Escrow Agent shall be entitled to rely on the decision of such court with respect to the disposition of the Deposit. In the event of any dispute regarding disposition of any portion of the Deposit, Escrow Agent shall be entitled to consult with its counsel and receive reimbursement for all reasonable expenses of such consultation with respect to its duties as Escrow Agent. All such expenses shall be paid from the Deposit deposited herein to the extent such funds are sufficient, with an amount equal to the same being promptly paid to the recipient of the Deposit, whether Buyer or Seller, by the non-prevailing party in the dispute, whether Buyer or Seller. Subject to the foregoing, this Agreement shall at all times be subject to the joint order of Seller and Buyer and upon such joint order Escrow Agent shall deliver the Deposit as instructed by such joint order.

6. There shall be no escrow fee hereunder.

7. All notices, requests, demands, elections, offers, acceptances and other communications required or desired to be delivered hereunder shall be in writing and shall be deemed given, effective and received (whether refused or received) (the "Effective Date of Notice") on the earliest of (a) the date of personal delivery; (b) ten (10) days after deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested; (c) one (1) business day after deposit with a national overnight air courier, fees prepaid; or (d) the date of transmission via facsimile machine confirmed by the sender's machine facsimile transmission, or electronic mail sent to the intended addressee at the address set forth below, provided that a copy of the facsimile or electronic mail also is sent to the intended addressee by one of the means described in clauses (a) or (c) above; provided however, that if the notice is sent via electronic mail and the addressee responds via electronic mail, such response shall be deemed to constitute receipt by the addressee, in which case it shall not be necessary to send an original of the electronic mail communication as provided above. All of the communications describe in this Paragraph shall be addressed to the appropriate party at its address listed below:

To Seller: The Housing and Redevelopment Authority in and for the City of Ramsey,
Minnesota
Ramsey Municipal Center\
7550 Sunwood Drive
Ramsey, Minnesota 55303
Attention: Kurt Ulrich, Executive Director
Telephone: 763-427-1410
Facsimile: 763-427-5543
Email: kurt.ulrich@cityoframsey.com

With a copy to: Fabyanske, Westra, Hart & Thomson, P.A.
800 LaSalle Avenue, Suite 1900
Minneapolis, Minnesota 55402
Attention: Judith E. Krow
Telephone: 612-359-7614
Facsimile: 612-359-7602
Email: jkrow@fwhtlaw.com

To Buyer: KONA Properties, LLC
1715 Yankee Doodle Rd #200
Eagan Minnesota 55121
Attention: Gary A. Gabrielson
Telephone: 612-670-1700
Facsimile: 952-285-6508
Email: gary@pinecreekassoc.com

To Escrow Agent: Commercial Partners Title, LLC
200 South Sixth Street, Suite 1300
Minneapolis, Minnesota 55402
Attention: Jane Miller
Telephone: 612-337-2498
Facsimile: _____
Email: janem@cptitle.com

Each of the above-listed addressees and notice parties may change its, his or her address and number for notice purposes under this paragraph by delivering to the other addressees a written notice of change of address and number in a manner specified in this paragraph for delivery of notices; provided however, no such change of address or number shall be effective against another addressee until written notice of such change is actually received by such addressee. Attorneys for either party may give notices and other communications as provided herein for the party such attorney represents.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns under the Purchase Agreement.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. In the event that any provision hereof shall be deemed illegal or unenforceable, said provision shall be severed herefrom and the remainder of this Agreement shall be enforced in accordance with the intentions of the parties as herein expressed.

10. This Agreement may not be amended or altered except by an instrument in writing executed by all the parties hereto.

11. If any party shall bring suit against the other to enforce the terms of this Agreement, the losing party shall pay to the prevailing party the prevailing party's costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in enforcing this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SELLER;

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF RAMSEY, MINNESOTA

By: _____
Kurt Ulrich
Its Executive Director

BUYER:

KONA PROPERTIES, LLC

By: _____
Name: _____
Title: _____

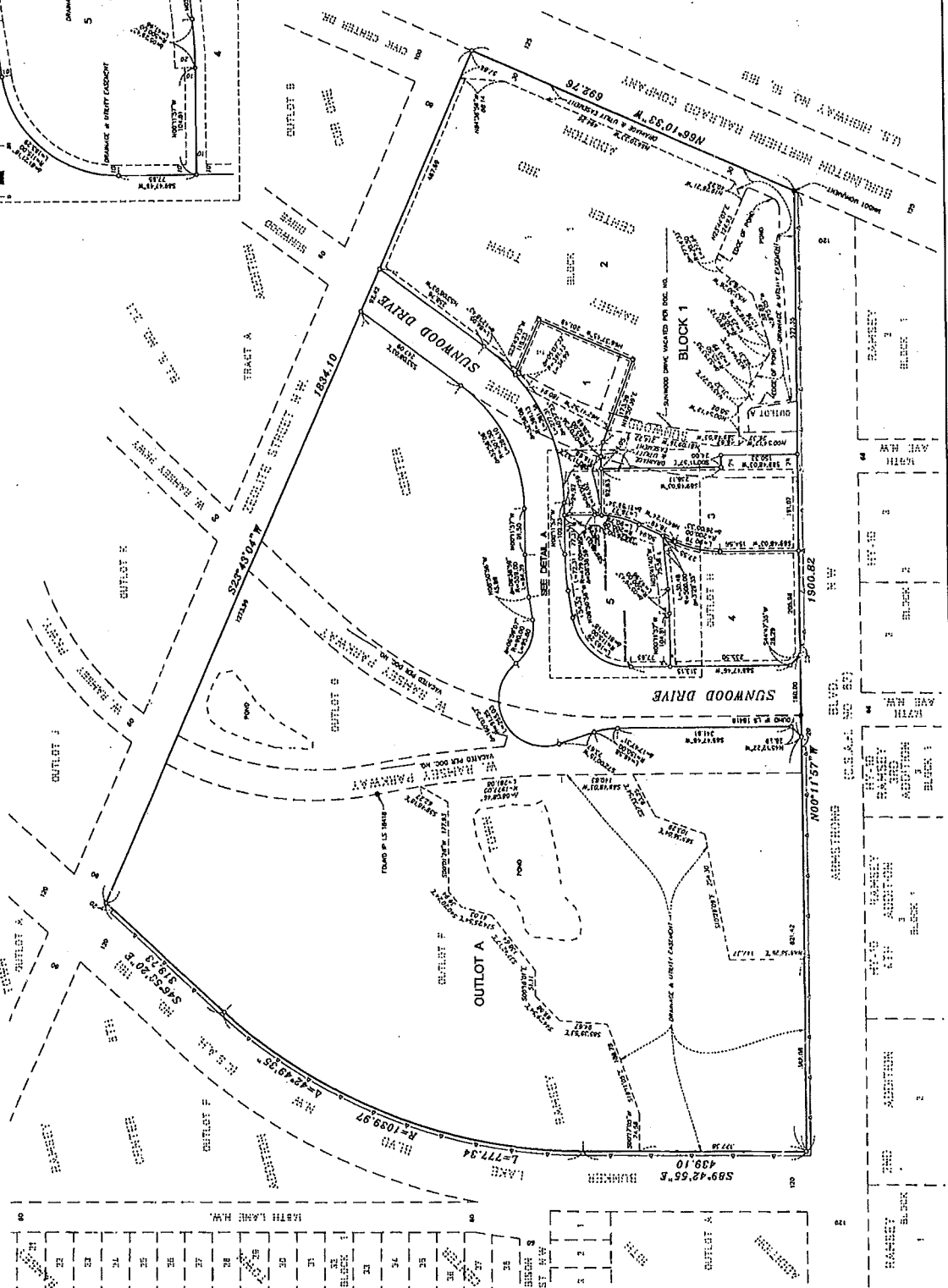
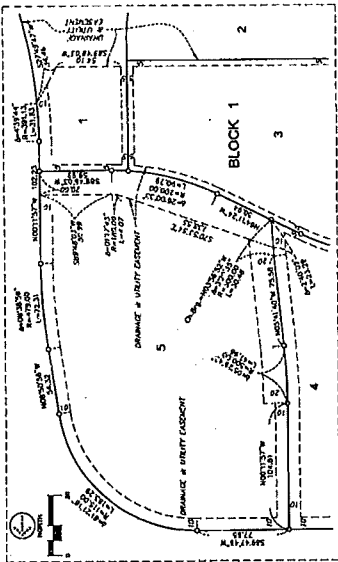
ESCROW AGENT:

COMMERCIAL PARTNERS TITLE, LLC

By: _____
Name: _____
Title: _____

CITY OF RAMSEY
 COUNTY OF ANOKA
 SEC. 28, TWP. 82, RANG. 25

COR TWO



DRAINAGE AND UTILITY EASEMENTS
 ARE SHOWN AS FOLLOWS:

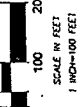


• DENOTES IRON MONUMENT FOUND
 ○ DENOTES 1/2 INCH BY 1 1/2 INCH IRON MONUMENT, SET AND MARKED WITH MINNESOTA LICENSE NO. 47465
 — DENOTES RIGHT OF WAY DEDICATED TO COUNTY OF ANOKA

• DENOTES 5 FEET IRON MONUMENT FOUND UNLESS OTHERWISE SHOWN AND BEING TO BE SET IN FRONT AND TO BE MARKED WITH THIS LICENSE UNLESS OTHERWISE SHOWN



NORTH



LANDFORM

From State Block
 Tel: 612-291-0070
 Fax: 612-291-0077
 3400 5th St
 Minneapolis, MN 55401
 Web: www.ramsey.org

SHEET 1 OF 2 SHEETS

Project COR TWO
Ramsey, MN

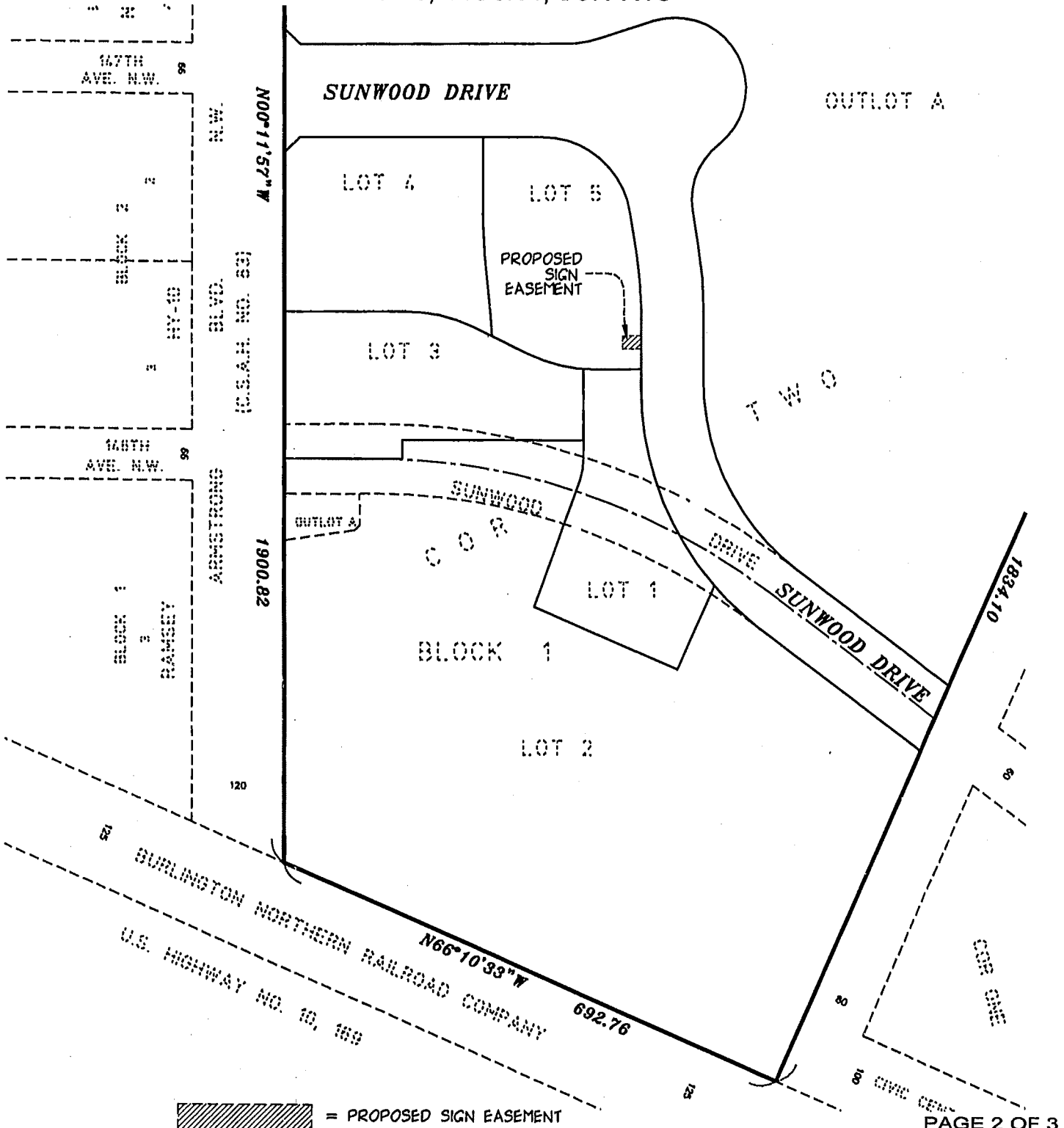
ESTIMATED QUANTITIES

ITEM NUMBER	Description	Units	UNIT PRICE	LOT 1 & 2, BLOCK 2 (RCA)		LOT 3, BLOCK 1 (Rust Control)		LOT 4, BLOCK 1 (McMaster)		LOT 5, BLOCK 1 (Super America)		TOTAL
				ESTIMATED QUANTITY	ESTIMATED COST	ESTIMATED QUANTITY	ESTIMATED COST	ESTIMATED QUANTITY	ESTIMATED COST	ESTIMATED QUANTITY	ESTIMATED COST	
2581.501	4" SOLID LINE, WHITE PAINT	LN FT	60.23	375	22,586.25	2033	122,355.99					2581.501
2581.502	CROSSWALK MARKING, WHITE PAINT	SQ FT	211.10	108	22,800.00							2581.502
TOTAL					360,748.20		122,355.99					2581.501 2581.502 TOTAL

DESCRIPTION SKETCH

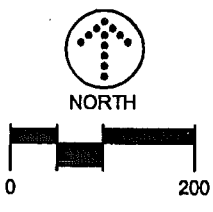
EXHIBIT E-1

FOR: SIGN EASEMENT - LOT 5, BLOCK 1, COR TWO

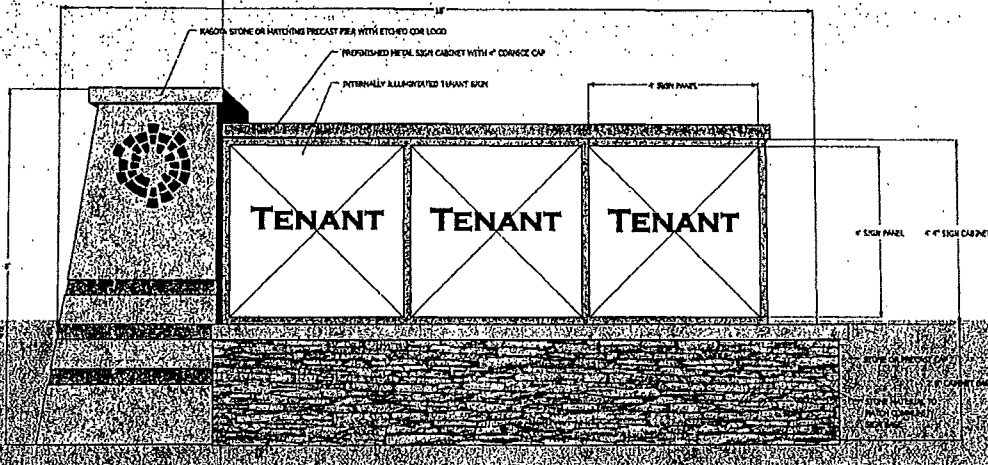


 = PROPOSED SIGN EASEMENT

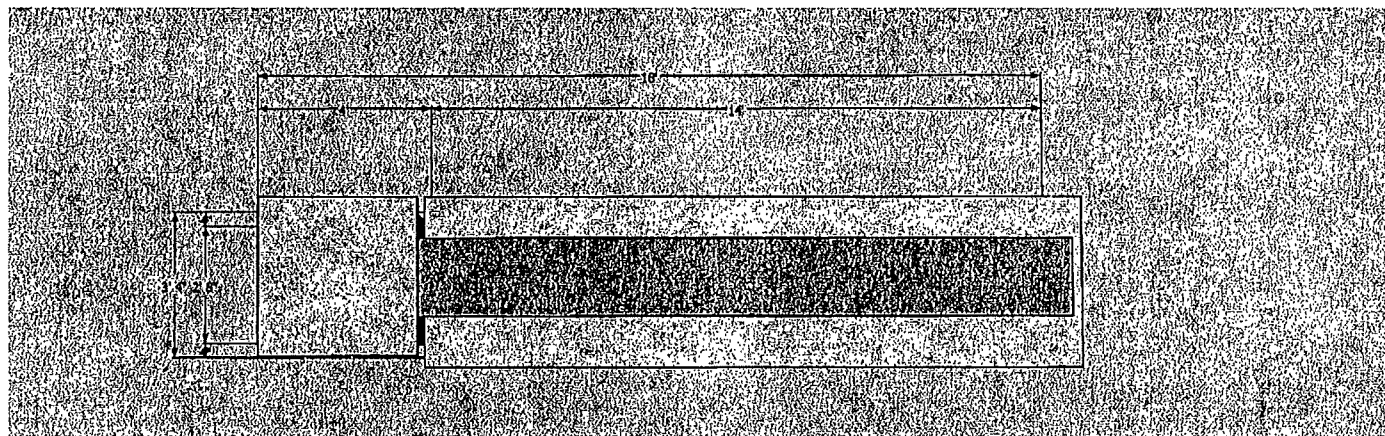
PAGE 2 OF 3



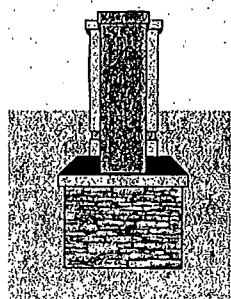
LANDFORM From Site to Finish	105 South Fifth Avenue Suite 513 Minneapolis, MN 55401 Web: landform.net
	Job No. <u>RAMI2020</u> Drawing: <u>ease-Sign Lot 5</u> By: <u>SCT</u>



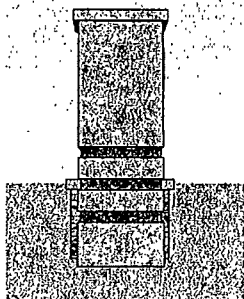
ELEVATION AT NORTHBOUND SUNWOOD



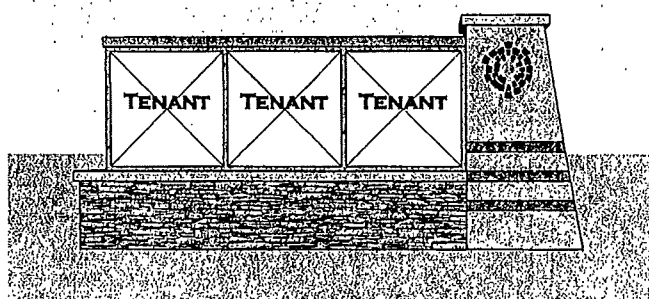
PLAN VIEW



PROFILE VIEW



PROFILE VIEW



ELEVATION FROM SOUTHBOUND SUNWOOD

LANDFORM
From Site to Finish

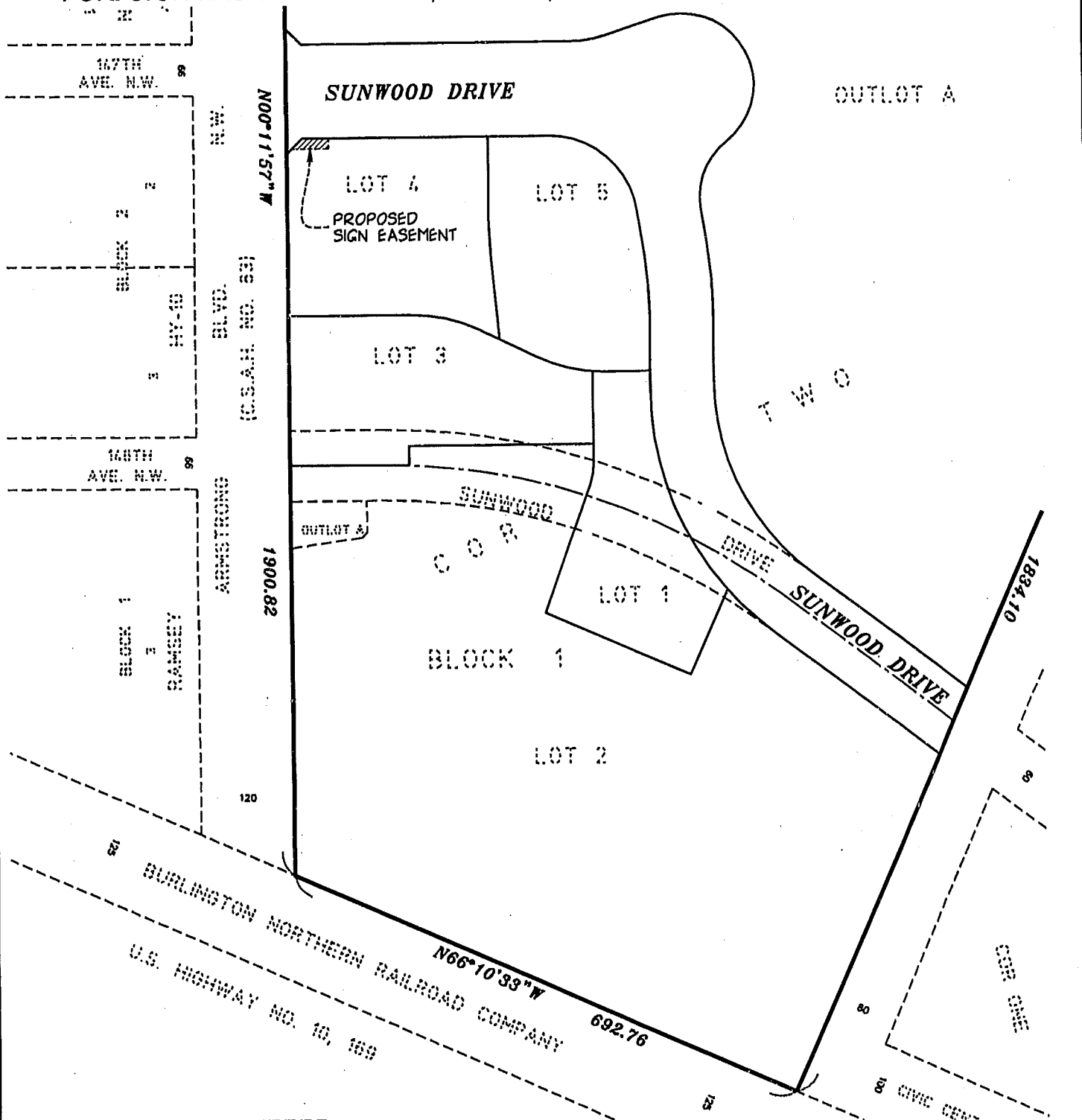
DESIGN FRAMEWORK
The COR at Ramsey
Multi-tenant Sign
Sunwood Dr. & East COR II Entry

THE
COR
RAMSEY, MINNESOTA

DESCRIPTION SKETCH

EXHIBIT F-1

FOR: SIGN EASEMENT - LOT 4, BLOCK 1, COR TWO



 = PROPOSED SIGN EASEMENT

PAGE 2 OF 3

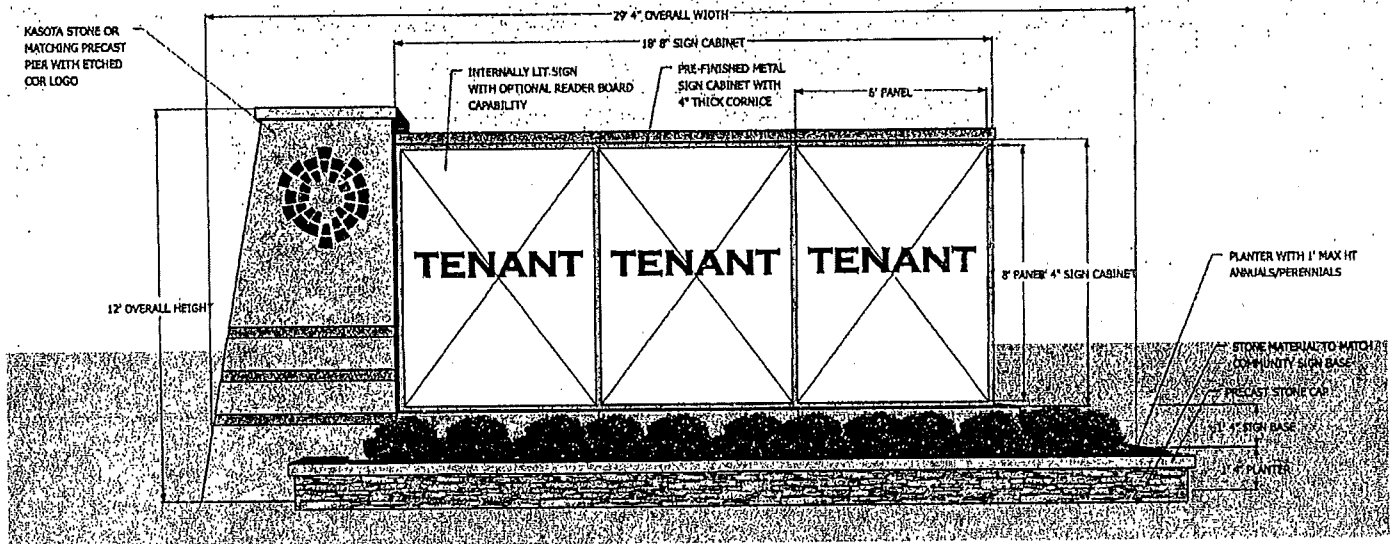


LANDFORM
From Site to Finish

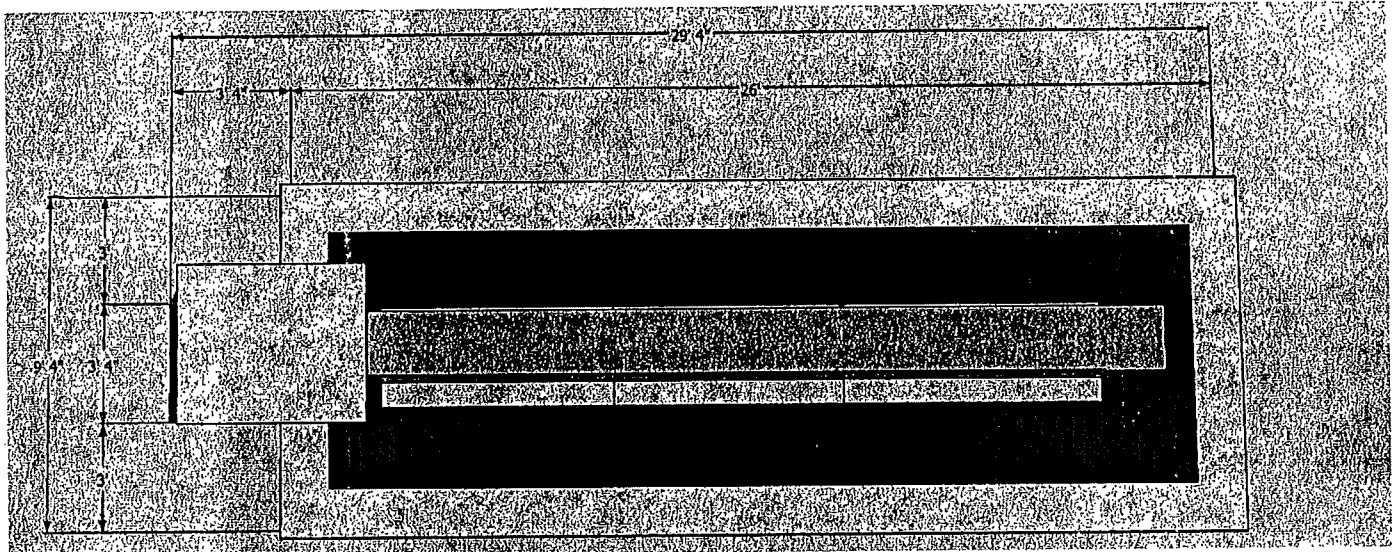
105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401
Web: landform.net

Job No. RAM12020 Drawing: ease-Sign 1 By: SCT

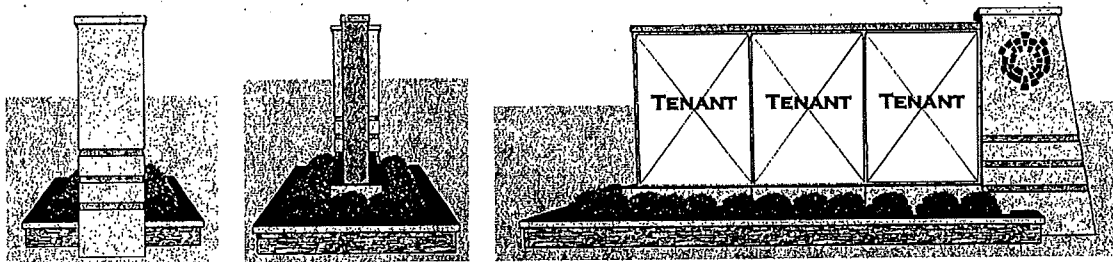
EXHIBIT F-2



ELEVATION AT SUNWOOD



PLAN VIEW



PROFILE VIEW

PROFILE VIEW

ELEVATION

EXHIBIT B.7



DESIGN FRAMEWORK
 The COR at Ramsey
 PROJECT GATEWAY SIGN 'A'
 Sunwood Dr. & Armstrong Blvd.



EXHIBIT G

Use Restriction

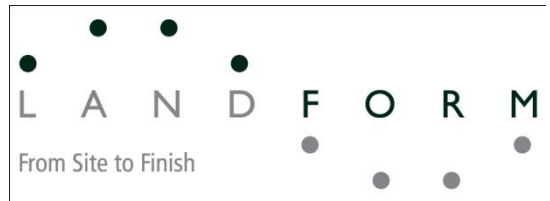
For the purposes of this Exhibit F and the foregoing Agreement, the following terms shall have the following meanings:

“Quick Serve Restaurant” means a restaurant (with or without drive-through windows) where customers order at a counter and either wait at the counter for their orders to be delivered or seat themselves in the seating area after ordering at the counter and staff brings the order to the customers’ table but performs no other services ordinarily performed by restaurant waitstaff.

Lot 5 Owner” means the owner, from time to time of Lot 5.

“Restricted Menu” means hot beef (including hamburger) and/or hot chicken sandwiches as the primary menu item served by the facility in question.

Commencing on the Closing Date (as defined in the foregoing Agreement), so long as McDonalds is operating a McDonalds restaurant/store on Lot 4, the Lot 5 Owner will not cause or permit the use of Lot 5 or any part thereof as a Quick Serve Restaurant serving the Restricted Menu. If, at any time after the Closing Date, McDonalds is not operating a McDonalds restaurant store on Lot 4, then there shall be no restrictions on the ability of the Lot 5 Owner to use, or allow the use of all or a portion of Lot 5 for any lawful purpose, including, without limitation, as a Quick Serve Restaurant serving the Restricted Menu. Nothing herein will prevent the Lot 5 Owner or any assignee or subtenant thereof from time to time from operating (a) a full service restaurant; that is, a restaurant where customers seat themselves or are seated by staff and have their orders taken at their tables with such orders served by waitstaff; and/or (b) a so-called convenience store selling food items, including without limitation, cold sandwiches, hot sandwiches and pizza.



105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

WORK ORDER

DATE	10/11/2012	CONTRACT NO.	RAM12025
CLIENT INFORMATION		BILLING INFORMATION (IF DIFFERENT FROM CLIENT)	
COMPANY NAME	City of Ramsey HRA	COMPANY NAME	
CLIENT CONTACT	Kurt Ulrich	CONTACT	
ADDRESS	7550 Sunwood Drive	ADDRESS	
CITY, STATE, ZIP	Ramsey, MN 55303	CITY, STATE, ZIP	
PHONE/FAX	763-433-9845 / 763-427-5543	PHONE/FAX	

PROJECT INFORMATION

PROJECT NAME	Sunwood Retail	PRINCIPAL	Darren Lazan
PROJECT DESCRIPTION	Design and construction administration for common improvements related to Sunwood Retail	STUDIO/DEPT	RCD
	The COR – SE intersection of Armstrong Blvd. and Sunwood Dr.	EST. START DATE	Immediately
PROPERTY LOCATION	Sunwood Dr.	EST. COMPLETE DATE	60 Days
CITY, STATE, ZIP	Ramsey, MN 55303	PROJECT MANAGER	Darren Lazan
PIN:		PHASE MANAGER	Darren Lazan

SCOPE OF SERVICES LANDFORM AGREES TO PERFORM PROFESSIONAL SERVICES FOR THE CLIENT AS FOLLOWS:

PHASE	DESCRIPTION	TASK	BILLING MESSAGE
30	Design Development	Prepare preliminary site plans, utility plans, grading/drainage plans, LS plans, and related documents for city approval process.	\$10,000.00 (Fixed Fee)
50	Construction Documents	Prepare final site plans, utility plans, grading/drainage plans, LS plans, and related documents construction purposes.	\$20,000.00 (Fixed Fee)
55	Final Approval Process	Watershed approval efforts (Lot 3, Block 1, COR Two and Vacated Sunwood Dr. R/W share)	\$4,600.00 (Fixed Fee)
70	Construction Staking	Construction staking for Sunwood Retail common improvements and Lot 3, Block 1, COR Two parking lot.	\$8,500.00 (Fixed Fee)
80	Construction Administration	Provide professional services related to the construction of the common improvements for Sunwood Retail including but not limited to, respond to RFIs, on-site observation, prepare punch list, attend meetings, and prepare record drawings.	\$15,000.00 (Hourly w/ Est.)

Reimbursable Expenses, including but not limited to Mileage, Plotting, Printing, Scanning, and Subconsultants are not included in the fees below and will be billed as a reimbursable expense at 1.15 times cost.

FEES (RATE SCHEDULE IS AVAILABLE UPON REQUEST FOR HOURLY CONTRACTS)

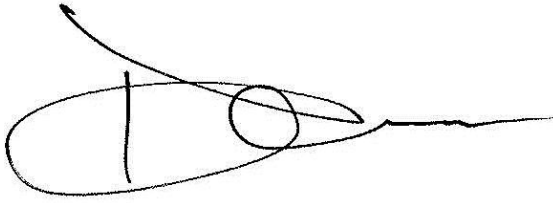
<input checked="" type="checkbox"/>	FIXED FEE	FIXED FEE AMOUNT: \$43,100.00	Plus Typical Reimbursables
<input checked="" type="checkbox"/>	HOURLY WITH AN ESTIMATE	ESTIMATE FEE: \$15,000.00	RATES 2012 Rate Schedule
<input type="checkbox"/>	HOURLY TO A MAXIMUM	MAXIMUM FEE:	RATES

IN WITNESS WHEREOF, the parties have accepted, made and executed this agreement upon the terms, conditions and provisions stated above and on the attached General Conditions including, but not limited to, provisions relating to limitations on liability of Consultant.

Accepted By:

Landform

City of Ramsey HRA

A handwritten signature in black ink, appearing to read 'Darren Iazan'. The signature is stylized with a large loop at the beginning and a horizontal line extending to the right.

Darren Iazan
Vice President

Date: 10.11.2012

Landform Federal Tax ID: 27-1199905

Date:

General Conditions

1. All required services outside SCOPE OF WORK outline will be provided upon the CLIENT'S request and will be billed at the rates quoted on the CURRENT FEE SCHEDULE. A copy of the CURRENT FEE SCHEDULE has been made available to CLIENT or is attached hereto. Rates and multiples for Additional Services and other services as set forth in the fee schedule shall be adjusted annually in accordance with normal salary review practices of Consultant.
2. Fees outlined in this contract will be adhered to subject to site conditions and criteria set forth by the CLIENT and requirements of all applicable governmental agencies, utility companies, etc., in effect on the date of the CONSULTANT'S signing of this contract. No work by the CONSULTANT will commence until fully dimensioned and client-approved plans have been received from CLIENT. Subsequent changes to the plans, which require additional work by the CONSULTANT, will result in extra charges at the rates quoted on the CURRENT FEE SCHEDULE.
3. Field staking will be performed one time only for the fees quoted. Any restaking due to the loss of stakes beyond the CONSULTANT'S control will be billed at the rate on the CURRENT FEE SCHEDULE. In addition, fees outlined for field survey and construction staking are subject to the CONSULTANT being able to perform each item without delays beyond its control. The CLIENT shall request construction-staking items a minimum of two (2) working days in advance of when desired.
4. In the event that a question or claim may arise as to an error or omission in the CONSULTANT'S work or plans, the CONSULTANT will assume no liability for errors or omissions unless notified within 48 hours of the client's discovery of such. If notified within 48 hours, the CONSULTANT will have the right to remedy any such errors or omissions within a reasonable and agreed upon time thereafter, at no additional cost to the CLIENT. The CONSULTANT will assume no liability for construction staking unless all stakes are maintained intact and verified as to their origin.
5. The CLIENT shall give separate authorization to the CONSULTANT to commence each item of work as outlined in the SCOPE OF WORK.
6. CLIENT will be billed monthly, based upon percentage of work completed and/or hourly charges and reimbursable costs. Invoices are due and payable upon presentation. Objections to invoices not made in writing within thirty (30) days of the billing date are waived. A FINANCE CHARGE of one and one half percent (1.5) per month (18% ANNUAL PERCENTAGE RATE) will be added to portions of accounts over 30 days past due. FINANCE CHARGES may be compounded. CLIENT'S failure to make timely payments is justification for suspension of all services and withholding of all deliverables until payment is received or other written agreements made. CONSULTANT shall be entitled to recover all costs, expenses and fees incurred by CONSULTANT (including litigation and arbitration fees and costs, reasonable attorneys' fees, and CONSULTANT'S internal labor at the rates quoted on the CURRENT FEE SCHEDULE) due to CLIENT'S failure to make timely payments.
7. This Agreement may be terminated by either party upon seven (7) days' written notice. In the event of any termination, the CONSULTANT will be paid for all services rendered to the date of termination plus unpaid reimbursable expenses. Such termination shall not affect the parties' accrued rights and liabilities as of the date of termination. Without limiting the generality of the foregoing, paragraphs 4, 6, 9, 10, 11, 12, 14, 15, and 16 of these General Conditions shall survive any cancellation, expiration, or termination of this Agreement.
8. The CONSULTANT will not be responsible for the cost of permits, title company charges, governmental review fees, soil reports, printing, photographic charges, etc. as applicable, except those printing charges necessary for the CONSULTANT to do it's work. The CONSULTANT will be reimbursed for such charges paid by it for the CLIENT at the rates quoted on the CURRENT FEE SCHEDULE.
9. The CONSULTANT will not be responsible or liable for the following:(a) Any use of plans, surveys, specifications, etc. not signed and sealed by the CONSULTANT and approved by the appropriate governmental agencies; (b) Inaccuracy of data, plans, legal descriptions or any other information supplied by the CLIENT or others; (c) Site soil, hydrologic, or geologic conditions; (d) Changes to the plans and specifications made by the CLIENT or others; (e) Job site conditions; or (f)The performance of work on this project by any construction contractor or third party.
10. All original work will be property of the CONSULTANT. The CLIENT at its request will be furnished with reproducible copies as a reimbursable expense. All documents furnished by the CONSULTANT are instruments of its service. They are not suitable for reuse or extensions of this project or any other project. CONSULTANT is the author of these documents and retains all common law, statutory and/or reserved rights, including copyright. Any reuse without specific written approval by the CONSULTANT in each case will be at the sole risk of the user and without liability or legal exposure to the CONSULTANT.
11. Neither the CLIENT nor the CONSULTANT shall assign, sublet or transfer any rights under or interest in the contract without the written consent of the other. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the CLIENT or CONSULTANT.
12. The CONSULTANT makes no representation concerning any cost estimate figures made in connection with maps, plans, specifications or drawings other than that all cost figures are estimates only and the CONSULTANT shall not be responsible for fluctuations in costs or quality figures.
13. The CLIENT agrees to cooperate in every way requested by the CONSULTANT to expedite the completion of the work set forth in the contract. The CLIENT agrees to provide the CONSULTANT access to the property involved and to make available any records, documents, deeds, legal descriptions or other items requested by the CONSULTANT for the reasonable pursuit of the completion of the work.
14. The CONSULTANT makes no warranty, either expressed or implied, as to its services. Services will be performed in accordance with generally accepted engineering and/or surveying practices.
15. Any claim, dispute or other matter in question arising out of or relating to this Agreement or breach thereof ("Claim") in which the aggregate amount in controversy exclusive of interest, attorneys' fees and costs, is less than or equal to \$100,000 shall be decided by binding arbitration in Minneapolis in accordance with the Construction Industry Rules of the American Arbitration Association. Judgment on any award by the arbitrator(s) shall be enforceable in any court having jurisdiction. Any Claim in which the aggregate amount in controversy, exclusive of interest, attorneys' fees and costs, is greater than \$100,000 shall be resolved by litigation in the State or Federal Court located within Hennepin County, Minnesota. Consultant and Client expressly consent to the exclusive personal jurisdiction and venue of the Minnesota courts for all purposes relating to this Proposal. The parties waive trial by jury. This Agreement shall be governed by Minnesota law, without regard to conflicts of law principles.
16. CONSULTANT'S TOTAL LIABILITY TO CLIENT FOR ANY LOSS, CLAIM OR DAMAGE ARISING OUT OF THE NEGLIGENCE OR OTHER LEGAL FAULT OF CONSULTANT IN PERFORMING ITS SERVICES SHALL BE LIMITED TO THE GREATER OF (I) THE AMOUNT STATED IN THIS PROPOSAL AS COMPENSATION FOR CONSULTANT'S BASIC SERVICES, OR (II) THE LIMITS OF ANY INSURANCE ACTUALLY AVAILABLE TO THE CONSULTANT. AT ANY TIME PRIOR TO COMMENCEMENT OF SERVICES. CLIENT MAY, BY PAYING A 20% PREMIUM IN ADDITION TO CONSULTANT'S FEE, ELIMINATE THIS LIMITATION ON LIABILITY. In no event shall CONSULTANT be liable for loss of profits, loss of use, loss of revenue, or any or special, indirect or consequential damages of any kind.
17. **NOTICE OF LIEN RIGHTS (MINNESOTA): (a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**
18. There are no understandings or agreements except as herein expressly stated.

HRA Special Session

5. 2.

Meeting Date: 10/16/2012**By:** Darren Lazan, Housing &
Redevelopment Authority

Information**Title:**

Approve Development Agreement - COR TWO

Background:

The five acre area created as part of the realignment of Sunwood Drive has been commonly referred to as the Sunwood Retail Area. This developable land has been included in the plat of COR TWO, which consists of all property west of Zeolite including the existing Northstar Marketplace and the remaining area north of the realigned Sunwood Drive.

As part of the normal development process, the HRA as developer of the overall project, is required to enter into a development agreement with the city of Ramsey, for items related to the project.

Notification:**Observations:**

Some of the items in this agreement include:

- The construction of common improvements for the project
- Establishing development fees for the five lots in the plat
- Establishing sureties for the Phase I improvements

Recommendation:

The development team recommends the approval of the development agreement.

The development team recommends the HRA consider the funding of the improvements related to Northstar Marketplace and provide direction to either include in the costs of the project, or request the city council include this cost in the Sunwood Drive project.

Funding Source:

Funding of the HRA obligations under this agreement is from three sources:

Obligations related to Lots 4 and 5 will be pre-paid from proceeds of initial lot sales, and reimbursed by the eventual owners of those lots.

Obligations related to Lot 3 will be paid by the buyer of that parcel, at the closing on that lot.

Obligations related to re-establishing the connection from Northstar Marketplace to Sunwood and providing additional parking as part of the agreement with Sophia Ramsey would normally be funded as part of the roadway project. HRA should consider whether this work should be funded as part of their project and paid from proceeds of land sales.

Council Action:

Approve the Development Agreement related to the plat of COR TWO.

Attachments

Development Agreement - COR TWO

Form Review

Inbox
Kurt Ulrich

Form Started By: Darren Lazan

Reviewed By
Kurt Ulrich

Final Approval Date: 10/11/2012

Date
10/11/2012 03:22 PM
Started On: 10/11/2012

**CITY OF RAMSEY
DEVELOPMENT CONTRACT FOR COR TWO**

This CONTRACT dated this _____ day of _____, 2012, and is by and between the **CITY OF RAMSEY**, a Minnesota municipal corporation (the “**CITY**”), the **THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA**, 7550 Sunwood Dr NW, Ramsey, MN 55303, (the “**PERMITTEE**”).

WHEREAS, the **PERMITTEE** is the owner of land legally described as follows:

Outlots F, G, & H, RAMSEY TOWN CENTER ADDITION

WHEREAS, Sophia-Ramsey, LLC, a Minnesota Limited Liability corporation, is the owner of land legally described as follows:

Lots 1 & 2, Outlot A, RAMSEY TOWN CENTER 3RD ADDITION

WHEREAS, Lots 1 & 2, RAMSEY TOWN CENTER 3RD ADDITION and Outlots F, G, & H, RAMSEY TOWN CENTER ADDITION, will be legally described as follows upon recording:

Lots 1-5, Outlot A, COR TWO

(the “Subject Property”); and

WHEREAS, the **PERMITTEE** has received approval from the **CITY** to subdivide the Subject Property and plat the same as COR TWO (the “Plat”).

THEREFORE, THE CITY and the PERMITTEE AGREE AS FOLLOWS:

1. Conditions of Approval. The **CITY** hereby approves the Plat on condition that:
 - a. The **PERMITTEE** enter into this Contract, and
 - b. Marketable Title. Prior to recording of the Final Plat, the **PERMITTEE** shall provide the **CITY** with proof of marketable title to the Plat either through a currently certified abstract, registered property abstract or title insurance.
 - c. Proof of Authority. The **CITY** requires the **PERMITTEE** to provide proof of authority by their respective governing boards to execute this Contract. This proof of authority may be satisfied by providing the **CITY** with a certified copy of the minutes of the governing board of each entity which grants such authority.
 - d. Violation of This Contract. If the **PERMITTEE** fails to perform any of the terms of this Contract in the manner required by the **CITY**, the **CITY** shall be entitled to recover, from the defaulter, or the issuer of their financial guarantee, the full amount of any and all financial guarantees. Breach of any of the terms of this Development Contract by the **PERMITTEE** shall also be grounds for denial of Building Permits to the **PERMITTEE**.
2. Development Plans. The **PERMITTEE** shall develop the Plat in accordance with the Final Plat Plans prepared by Landform Professional Services dated July 9, 2012, *revised July 25, 2012* (the “Plans”), subject to revisions per the City Staff Review Letter dated July 7th, 2012,

revised August 9th, 2012. The Plans shall not be attached to this Contract, but are in **CITY** files.

3. Stage I CITY Improvements Required. The improvements the **CITY** requires are as follows:
- a. Streets – construction of Sunwood Drive (already constructed)
 - b. Concrete curb and gutter – along Sunwood Drive (already constructed)
 - c. Street traffic control signals – for Sunwood Drive (already constructed)
 - d. Lot grading (already complete)
 - e. Sidewalks – along Sunwood Drive (already constructed)
 - f. Boulevard sodding – from back of curb to sidewalk

(“Stage I **CITY** Improvements”)

The **CITY** agrees to construct the Stage I Improvements according to the terms and conditions of this Contract and in accordance with the Plans.

4. Stage I PERMITTEE Improvements Required. The improvements the **CITY** requires that are to be constructed by the **PERMITTEE** are as follows:
- a. Trunk and lateral sanitary sewer
 - b. Trunk and lateral water main
 - c. Storm drainage facilities
 - d. Streets – internal shared access/private driveway
 - e. Street traffic control signals – at access points to Sunwood Drive
 - f. Trail development
 - g. Sidewalks
 - h. Electricity – (appears to be already constructed)
 - i. Phone – (appears to be already constructed)
 - j. Natural gas – (appears to be already constructed)
 - k. Boulevard sodding – from sidewalk to property line
 - l. Water shut off boxes
 - m. Easement acquisition
 - n. As-built plans
 - o. Stage I financial surety

(“Stage I **PERMITTEE** Improvements”)

The **PERMITTEE** agrees to construct the Stage I **PERMITTEE** Improvements according to the terms and conditions of this Contract and in accordance with the Plans. The final construction plan for the Stage I Improvements shall be submitted to the **CITY** Engineer for review and approval prior to commencement of construction.

The **PERMITTEE** agrees to provide specifications, subject to review and approval of the City Engineer, for construction and restoration of utilities within existing rights of way. Work must be completed under traffic, be brought up to grade, and must be restored to existing conditions within 24 hours.

The **PERMITTEE** shall be responsible for completing the rough grading of the Plat and providing lot corner stakes prior to the installation of underground utilities as set forth above.

Stage I PERMITTEE Improvement Financial Guarantee. To ensure the construction of the Stage I Improvements and their timely completion, the **PERMITTEE** shall be responsible for a financial guarantee in the amount of 125% the cost of the Stage I **PERMITTEE** Improvements. **PERMITTEE** agrees to assign the Stage I **PERMITTEE** Improvement Financial Guarantee to assigns and heirs.

5. Inspection Fees. Since the **PERMITTEE** is a **CITY** authority, the **PERMITTEE** shall not be required to provide an escrow to the **CITY** for the purpose of compensating for inspection services.
6. Installation. Stage I Improvements shall be installed in accordance with the Plans and in accordance with **CITY** standards, City Code and those plans and specifications which have been prepared by a registered professional engineer presented to the **CITY** by **PERMITTEE** and approved by the **CITY** Engineer. **PERMITTEE** shall obtain all necessary permits from all agencies before proceeding with construction and the Stage I Improvements. Within thirty (30) days after the completion of the Improvements and before the security is released, **PERMITTEE** shall supply the **CITY** with a complete set of reproducible “As Built” plans.
7. Time of Performance. Not applicable.
8. Ownership of Improvements. Upon the completion of the work and construction required to be done by this Contract, the Stage I Improvements lying within public easements shall become **CITY** property without further notice or action.
9. License. **PERMITTEE** hereby grants the **CITY**, its agents, employees, officers, and contractors, a license to enter the Plat to perform all necessary work and/or inspections, on each respective property, deemed appropriate by the **CITY** during installation of Stage I Improvements by the **CITY**. The license shall expire after the Stage I Improvements installed pursuant to this Contract have been installed and accepted by the **CITY**.
10. Stage II CITY Improvements. The Stage II Improvements which the **CITY** requires are as follows:
 - a. Boulevard streetlights consistent with the COR master lighting and City policy (3 years O & M) – (already constructed)

 (“Stage II **CITY** Improvements”)
11. Stage II PERMITTEE Improvements. The Stage II Improvements which the **CITY** requires are as follows:
 - a. Monuments

 (“Stage II **PERMITTEE** Improvements”)
12. Stage I and Stage II Improvements to Outlots. The **PERMITTEE** agrees that Stage I and Stage and Stage II Improvements are being constructed for Lots 1 – 5 only. The **PERMITTEE** agrees that Stage I and Stage II Improvements are not being constructed for Outlot A, COR TWO but will be completed when the status of Outlot A, COR TWO is changed by the filing of a separate plat for Outlot A, COR TWO.

13. Payment for Stage II PERMITTEE Improvements. No additional payment to ensure construction of Stage II Improvements shall be required for the Plat.

Stage II Improvements shall be installed in accordance with the Plans and in accordance with CITY standards, CITY Code, and those plans and specifications which have been prepared by a registered professional engineer presented to the CITY by THE PERMITTEE have been approved by the CITY Engineer.

14. Street Cleaning and Clean Up. After the street surfacing is installed, the PERMITTEE shall clear any soil, earth, or debris from the streets resulting from any construction within the Plat by each of them. From time to time, the CITY may remove accumulations of soil, earth, and debris from the streets resulting from the construction of the plat. It shall be the PERMITTEE's responsibility to pay the costs associated with this necessary street cleaning. Invoices from the CITY to the PERMITTEE for such costs shall be paid within fifteen (15) days of the date of the invoice.

15. PERMITTEE Default. In the event of default by the PERMITTEE as to any of the work to be performed by it hereunder, the CITY may, at its option, perform the work and the PERMITTEE shall promptly reimburse the CITY for any reasonable expense incurred by the CITY, provided the PERMITTEE is first given written notice of the work in default, not less than 48 hours in advance. This Contract is a license for the CITY to act, and it shall not be necessary for the CITY to seek a Court Order for permission to enter the Subject Property. When the CITY does any such work, the CITY may, in addition to its other remedies, assess the cost in whole or in part to the benefitted property. The PERMITTEE grants the City approval to seek reimbursement from any of the PERMITTEE's escrows held by the CITY.

16. Miscellaneous.

- a. Invalidity of Any Section. If any portion, section, subsection, sentence, clause, paragraphs or phrase of this Contract is for any reason invalid, such decision shall not affect the validity of the remaining portion of this Contract.
- b. Written Amendments Only. The action or inaction of the CITY shall not constitute a waiver or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the CITY Council. The CITY's failure to promptly take legal action to enforce this Contract shall not be a waiver or release.
- c. Compliance with Laws and Regulations. The PERMITTEE represents to CITY that the Plat complies with all City, County, metropolitan, State, and Federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances and environmental regulations. If the CITY determines that the Plat does not comply, the CITY may, at its option, refuse to allow any construction or development work in the Plat until the PERMITTEE does comply. Upon the CITY's demand shall cease work until there is compliance.
- d. Mailbox Locations. If the PERMITTEE desires to construct mailboxes within the right of way, the PERMITTEE agree that the placement of mailboxes along public streets is subject to the approval by the CITY. Utility locates will be necessary.

- e. Boulevard and Area Restoration. The **PERMITTEE** shall be responsible for the cost of establishing seed in all boulevards within thirty (30) days of the completion of the street improvements, and restoring all other areas disturbed by the development grading operation in accordance with the approved Grading and Erosion Control plan. The **PERMITTEE** shall be responsible for the cost of cleaning any soil, earth, or debris from the wetlands within and adjacent to this Plat resulting from grading performed in the development of the Plat.
- f. Construction, Hours and Entrance Signs. The **CITY** restricts construction and delivery hours to Monday through Saturday 7:00 a.m. to 10:00 p.m. The **PERMITTEE** is required to provide a sign at each entrance point stating delivery and construction operation hours. Said signs are not to exceed eighty (80) square feet in size and must be clearly visible at all times during the construction period.
- g. Constructing Site Maintenance. The **PERMITTEE** shall adhere to all **CITY** ordinances relating to, but not limited to, dumping of garbage, site development, construction debris, open burning, etc.
- h. Estimated Cost. It is understood and agreed that cost amounts set forth in this Contract as to Stage I and Stage II Improvements, unless qualified as fixed amounts, are estimated. The **PERMITTEE** agree to pay the entire cost of said improvements including interest, engineering and legal fees related thereto.
- i. Plat Approval Expenses. The **PERMITTEE** agrees that it will pay to **CITY** all **CITY** expenses incurred in the approval of the Plat, including, but not limited to, administration expenses, engineering and legal fees. Said expenses incurred after recording of the Final Plat shall also be paid within said fifteen (15) day billing period. Failure to pay the **CITY'S** expenses within the fifteen (15) day billing period will permit the **CITY** to draw upon any of the escrows required by this contract for payment.
- j. Reimbursement to the CITY. The **PERMITTEE** agree to reimburse the **CITY** for all costs incurred by the **CITY** in defense or enforcement of this Contract, or any portion thereof, including court costs and reasonable engineering and attorney's fees.
- k.
- l. Certificate of Occupancy. The term "Certificate of Occupancy" as used in this Contract shall be defined as a document issued by the **CITY'S** Building Official, which authorizes the structure to be used for its intended purposes.
- m. Estoppel Certificate. The **CITY** agrees to provide the **PERMITTEE** with an estoppel certificate within 15 days of a written request by the **PERMITTEE**. The **CITY** agrees to provide said certificate upon verification that the terms of this Contract have been satisfied.
- n.
- o.

17. Requirements for Building and Occupancy Permits.

- a. No building permit for any lot in the Plat shall be issued until: (a) a Class 5 driving surface is installed to within 300 feet of the structure; (b) a Certificate of Survey,

including that survey information required by the **CITY** has been supplied to the **CITY** Building Official; c.) all the financial guarantees required by the **CITY** have been satisfied; d.) a Permit from the Lower Rum River Watershed Management Organization has been obtained; (e) a Permit from Anoka County Soil Conservation District has been obtained (if necessary); and (f) this Contract has been signed and received by the **CITY**.

b. No occupancy permit for any lot in the Plat shall be issued until: (a) vehicular access to the lot is provided, including the installation of at least one layer of bituminous surfacing; (b) all utilities are in place, operational and accepted by the **CITY**; (c) for lots that have a slope of less than 2%, a certificate of grading, prepared by a licensed (State of Minnesota) professional land surveyor, must be provided to the **CITY** documenting that the flattest grade on this lot is 1% or greater; and (d) boulevard sod and landscape tree, or escrow for same, have been provided.

c. Payment of Development Fees.

18. Park Dedication. The **PERMITTEE** is responsible for satisfying Park Dedication requirements. The 2012 Park Dedication Fee is \$4,738 per commercial area of net developable area. You will be responsible for a payment of Eighteen Thousand Eight Hundred Ten Dollars and No Cents ($\$2,475 \times 3.97$ acres = **\$18,810.00**). The rate in effect at the time of execution of this Contract will be collected. Proof of recording of this Contract shall be proof that this fee has been paid.

19. Trail Development Fees. The **PERMITTEE** development is responsible for satisfying Trail Development Fee requirements. The 2012 Trail Development Fee is \$1,090 per commercial area of net developable area. You will be responsible for a payment of Four Thousand Three Hundred Twenty Seven Dollars and No Cents ($\$600 \times 3.97$ acres = **\$4,327.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

20. Sanitary Sewer Connection (Trunk) Fees. The **PERMITTEE** is responsible for satisfying Sanitary Sewer Trunk Fee requirements. The 2012 Sewer Trunk Fee is \$3,824 per commercial area of net developable area. You will be responsible for a payment of Fifteen Thousand One Hundred Eighty One Dollars and No Cents ($\$1,271 \times 3.97$ acres = **\$15,181.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

21. Water Connection (Trunk) Fees. The **PERMITTEE** is responsible for satisfying Water Trunk Fee requirements. The 2012 Water Trunk Fee is \$8,337 per commercial area of net developable area. You will be responsible for a payment of Thirty Three Thousand Ninety Eight Dollars and No Cents ($\$2,226 \times 17$ units = **\$33,098.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.

22. Sanitary Sewer Lateral Fees. The **PERMITTEE** is responsible for satisfying Sanitary Sewer Lateral Fee requirements as the newly constructed units will be connecting to existing infrastructure. The 2012 Sanitary Sewer Lateral Fee is \$3,847 per connection. You will be responsible for a payment of Eleven Thousand Five Hundred Forty One Dollars and No Cents ($\$3,847 \times 3$ connections = **\$11,541.00**). The rate in effect at the time of execution of

- this Contract will be collected. *The Engineer's Estimate of installation of private sanitary sewer lines is \$23,600. As the Engineer's Estimate exceeds the cost of the lateral fee, no sanitary sewer lateral fee will be collected.* . Proof of recording of this Contract shall be proof that this fee has been paid.
23. Water Lateral Fees. The **PERMITTEE** is responsible for satisfying Water Lateral Fee requirements as the newly constructed units will be connecting to existing infrastructure. The 2012 Water Lateral Fee is \$8,777 per connection. You will be responsible for a payment of Twenty Six Thousand Three Hundred Thirty One Dollars and No Cents ($\$8,777 \times 3$ connections = **\$26,331.00**). The rate in effect at the time of execution of this Contract will be collected. *The Engineer's Estimate of installation of private water lines is \$33,612. As the Engineer's Estimate exceeds the cost of the lateral fee, no water lateral fee will be collected.* . Proof of recording of this Contract shall be proof that this fee has been paid.
24. Stormwater Management Fee. The **PERMITTEE** is responsible for satisfying Stormwater Trunk Fee requirements. The 2012 Water Trunk Fee is \$4,465 per commercial area of net developable area. You will be responsible for a payment of Seventeed Thousand Seven Hundred Twenty Six Dollars and No Cents ($\$448 \times 3.97$ acres = **\$17,726.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.
25. Street Light and Street Light Operation and Maintenance Fee. The **PERMITTEE** is responsible for satisfying Street Light and a Three Year Street Light Operation and Maintenance Fee requirements. The 2012 Street Light Fee for The COR is \$2,600 per light. You will be responsible for a payment of Thirty One Thousand Two Hundred Dollars and No Cents ($\$2,260 \times 12$ lights = **\$31,200.00**). The 2012 Street Light Fee Three Year Operation and Maintenance Fee for The COR is \$294 per light. You will be responsible for a payment of Three Thousand Five Hundred Dollars Twenty Eight Dollars and No Cents ($\$294 \times 12$ lights = **\$3,528.00**). The rate in effect at the time of execution of this Contract will be collected. . Proof of recording of this Contract shall be proof that this fee has been paid.
26. Development Fees for the Outlots. The **PERMITTEE** agrees none of the above fees are being collected for the outlots and therefore said outlots are subject to similar fees at a future date when it subdivides for development.
27. Notices. Required notices shall be in writing, and shall be either hand delivered to the Parties, its employees or agents, or mailed to them by certified or registered mail at the following address:

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
RAMSEY

Attn: Executive Director
7550 Sunwood Drive
Ramsey, MN 55303

CITY OF RAMSEY
Attn: City Administrator
7550 Sunwood Drive NW
Ramsey, MN 55303

CITY OF RAMSEY

By: _____
Its: Mayor

ATTEST

By: _____
Its: City Clerk

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY

By: _____
Its: Executive Director

STATE OF MINNESOTA)
)ss.
COUNTY OF ANOKA)

On this _____ day of _____ 2012, before me a Notary Public within and for said County, personally appeared Bob Ramsey and JoAnn M. Thieling, to me personally known, who each by me dually sworn, each did say that they are respectively the Mayor and the City Clerk of Ramsey, the municipal corporation named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation

Notary Public

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by, _____, the _____ of the City of Ramsey Housing and Redevelopment Authority, a _____ under the laws of the State of Minnesota, on its behalf.

Notary Public

This document drafted by:
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

This document reviewed by:
Randall and Goodrich, PLC
2140 Fourth Ave N
Anoka, MN 55303

HRA Special Session

5. 3.

Meeting Date: 10/16/2012**By:** Darren Lazan, Housing &
Redevelopment Authority

Information**Title:**

Approve Documents Related to the Plat of COR TWO

Background:

As part of the sale of lots in COR TWO, there are several documents that will be necessary to address ongoing operations and maintenance issues between all five lots in the development. These agreements are coordinated by the HRA as part of the sale, but once the disposition of the three HRA lots is complete, these agreements will be managed on an ongoing basis by the eventual owners of those lots, and the HRA will no longer be a party to the agreements.

Notification:**Observations:****Recommendation:**

The development team recommends the HRA Approve:

- The Final Plat of COR TWO
- The Agreement related to the Plat of COR TWO
- The Agreement and Declaration of Easements, Covenants, and Restrictions – COR TWO
- The Declaration of Signage and Utility Easements – COR TWO
- The Restrictive Covenants related to Lot 4, Block 1, COR TWO

Funding Source:**Council Action:**

There are five (5) actions related to this case:

Motion to Approve the Final Plat of COR TWO, and adapt a resolution authorizing the HRA Chair and Executive Director to execute the plat, and all other documents necessary to record.

Motion to Approve the Agreement Related to the Plat of COR TWO subject to final modifications by HRA Counsel, and adapt a resolution authorizing the HRA Chair and Executive Director to execute the agreement, quit claim deeds, and all other documents necessary to record.

Motion to Approve the Agreement and Declaration of Easements, Covenants, and Restrictions subject to final modifications by HRA Counsel, and adapt a resolution authorizing the HRA Chair and Executive Director to execute the agreement, Quit Claim Deeds, and all other documents necessary to record.

Motion to Approve the Agreement and Declaration of Signage and Utility Easements subject to final modifications

by HRA Counsel, and adapt a resolution authorizing the HRA Chair and Executive Director to execute the agreement, and all other documents necessary to record.

Motion to Approve the Restrictive Covenants related to Lot 4, Block 1, COR TWO subject to final modifications by HRA Counsel, and adapt a resolution authorizing the HRA Chair and Executive Director to execute the agreement, and all other documents necessary to record.

Attachments

Declaration of Covenants, Restrictions, and Easements

Agreement Related to the Plat of COR TWO

Restrictive Covenant

Plat - COR TWO

Declaration of Signage and Utility Easements

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
10/11/2012 03:23 PM
Started On: 10/11/2012

Form Started By: Darren Lazan

Final Approval Date: 10/11/2012

**AGREEMENT AND DECLARATION OF EASEMENTS, COVENANTS AND
RESTRICTIONS FOR COR TWO**

DATED AS OF OCTOBER __, 2012

I. PARTIES

The parties to this Agreement and Declaration of Easements, Covenants and, Restrictions and Easements for COR TWO (“Agreement”) are The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota (the “HRA”), and Sophia-Ramsey LLC, a Minnesota limited liability company (“Sophia-Ramsey”). The HRA and Sophia-Ramsey shall also be referred to individually as a “Party” and collectively as the “Parties.”

II. RECITALS AND DEFINITIONS

1. Sophia-Ramsey owns certain real property located in the City of Ramsey, Anoka County, Minnesota, which is legally described as Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota (“Lot 1” and “Lot 2”, respectively and collectively the “Sophia-Ramsey Property”).

2. The HRA owns certain real property located in the City of Ramsey, Anoka County, Minnesota, which is legally described as Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota (“Lot 3”, “Lot 4” and “Lot 5”, respectively and collectively the “HRA Property”).

3. As used in this Agreement, the term “Property” means the Sophia-Ramsey Property and the HRA Property.

4. Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 are sometimes referred to in this Agreement, individually, as a “Lot” and, collectively, as the “Lots.” The terms “Lot” and “Lots” also mean any lot or parcel created by a combination of all or a part of two or more Lots or by a further subdivision of all or a part of a Lot.

5. The term “Owner” as used in this Agreement means the fee owner(s) of a Lot as reflected in the Anoka County land records except that if the fee owner(s) of a Lot contracts to

convey a Lot pursuant to a recorded contract for deed, the vendee(s) under the contract for deed and not the fee owner(s) is or are the “Owner(s)” of the Lot for purposes of this Declaration.

6. The Property constitutes a common interest community under Minnesota Statutes Chapter 515B, but Minnesota Statutes Chapter 515B does not apply by reason of Section 515B.1-102(e)(5).

7. The Parties are executing this Agreement to create certain appurtenant easements for the construction, use, maintenance, repair and replacement of drive lanes that will provide vehicular ingress and egress between the Lots and Sunwood Drive and for the construction, use, maintenance, repair and replacement of private utilities and to establish covenants and restrictions relating to the maintenance, repair and replacement of the improvements located within the easements and relating to the use of the Lots, all for the mutual benefit of the Owners.

8. In addition, to satisfy one of the requirements the City of Ramsey, Minnesota (the “City”) imposed in connection with the City’s approval of the final plat of COR TWO, the Parties desire to grant the City an easement in gross over and across the Lots to permit the City to inspect and, if the City deems it necessary and appropriate to repair private water lines and storm sewers located on the Property.

Now, therefore, the Parties hereby declare and create for the benefit of the Parties, the easements, covenants and restrictions described herein.

III. AGREEMENT

1. **Recitals.** The Recitals set forth above are a part of this Agreement.
2. **Grant of Easements.** The Parties hereby declare and grant the following easements:

A. **West Access Easement.**

- (i) **Grant of Easement.** The HRA declares a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described and depicted on the attached Exhibit A (the “West Access Easement Property”) for vehicular access between Lot 3, Lot 4 and Lot 5 and Sunwood Drive, as dedicated on the plat of COR TWO, Anoka County, Minnesota (the “West Access Easement”). The West Access Easement is appurtenant to Lot 3, Lot 4 and Lot 5 and is intended for the use of the Owners of those Lots and their respective tenants, licensees, invitees and guests. The West Access Easement does not grant the Owners of those Lots or their respective tenants, licensees, invitees and guests the right to park vehicles on the West Access Easement Property.
- (ii) **Construction and Maintenance.** The HRA will arrange for the construction of roadway improvements within the West Access Easement Property (the “West Access Improvements”). The

Owner of Lot 3 must maintain, repair and replace the West Access Improvements in a clean, safe and otherwise first-class condition and state of repair and in compliance with all applicable laws, codes, regulatory and insurance requirements. Maintenance includes, but is not limited to, the removal and disposal of snow. The Owner of Lot 3 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the West Access Easement Property for its intended purposes. The Owner of Lot 3 may sweep the West Access Improvements and may remove snow from the West Access Improvements without prior notice to other Owners. If the Owner of Lot 3 intends to perform maintenance, repair or replacement work other than sweeping or snow removal on Lot 4 or on Lot 5, the Owner of Lot 3 must give notice to the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The costs of performing the maintenance, repairs and replacements described in Article III, Section 2.A.(ii) (the “West Access Easement Maintenance Costs”) shall be allocated between the Owners of Lot 3, Lot 4 and Lot 5. The Owner of Lot 3 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs; the Owner of Lot 4 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs; and the Owner of Lot 5 is liable for _____ percent (___%) of the West Access Easement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

B. East Access Easement.

- (i) Grant of Easement. Sophia-Ramsey and the HRA each grant to one another and declare a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described and depicted on the attached Exhibit B (the “East Access Easement Property”) for vehicular access between Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 and Sunwood Drive, as dedicated on the plat of COR TWO, Anoka County, Minnesota (the “East Access Easement”). The East Access Easement is appurtenant to Lot 1, Lot 2, Lot 3, Lot 4 and Lot 5 and is intended for the use of the Owners of those Lots and their respective tenants, licensees, invitees and guests. The East Access Easement does not grant the Owners of those Lots or their respective tenants, licensees, invitees and guests the right to park vehicles on the East Access Easement Property.

- (ii) Construction and Maintenance. The City of Ramsey is constructing roadway improvements within the East Access Easement Property (the “East Access Improvements”). The Owner of Lot 2 must maintain, repair and replace the East Access Improvements in a clean, safe and otherwise first-class condition and state of repair and in compliance with all applicable laws, codes, regulatory and insurance requirements. Maintenance includes, but is not limited to, the removal of snow. The Owner of Lot 2 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the East Access Easement Property for its intended purposes. The Owner of Lot 2 may sweep the East Access Improvements, remove snow from the East Access Improvements and complete routine maintenance of the East Access Improvements without prior notice to other Owners. If the Owner of Lot 2 intends to perform maintenance, repair or replacement work other than sweeping, snow removal and disposal or routine maintenance on Lot 1, Lot 3 or Lot 5, the Owner of Lot 2 must give notice to the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The costs of performing the maintenance, repairs and replacements described in Article III, Section 2.B.(ii) above (the “East Access Easement Maintenance Costs”) shall be allocated solely between the Owners of Lot 1 and Lot 2. The Owners of Lot 3, Lot 4 and Lot 5 are not responsible for the payment of any East Access Easement Maintenance Costs. The Owner of Lot 1 is liable for _____ percent (___%) of the East Access Easement Maintenance Costs and the Owner of Lot 2 is liable for _____ percent (___%) of the East Access Easement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

C. Storm Sewer Easement.

- (i) Grant of Easement. The HRA declares a perpetual, non-exclusive, appurtenant easement over, under and across the portion of the Property legally described on the attached Exhibit C (the “Storm Sewer Easement Property”) for the benefit of Lot 3, Lot 4 and Lot 5 for the installation, use, inspection, maintenance, repair and replacement of private storm sewer lines and equipment (the “Storm Sewer Easement”).

- (ii) Construction and Maintenance. The HRA will arrange for the construction of shared, private storm sewer lines and equipment in

the Storm Sewer Easement (the “Shared Storm Sewer Improvements”). The Shared Storm Sewer Improvements shall be deemed private improvements even if a public utility easement is dedicated over all or a portion of the Storm Sewer Easement Property. The Owner of Lot 3 must maintain, repair and replace the Shared Storm Sewer Improvements. The Owner of Lot 3 must perform its maintenance, repair and replacement obligations in a manner that does not unreasonably interfere with the use or enjoyment of the Storm Sewer Easement Property for its intended purposes. If the Owner of Lot 3 intends to perform maintenance, repair or replacement work on the Shared Storm Sewer Improvements on Lot 4 or on Lot 5, the Owner of Lot 3 must give the Owner or Owners of the Lot or Lots upon which the maintenance, repair or replacement work will be undertaken at least seven (7) days before commencing the work.

- (iii) Maintenance Costs. The cost of maintaining, repairing and replacing the Shared Storm Sewer Improvements (the “Shared Storm Sewer Improvement Maintenance Costs”) shall be allocated between the Owners of Lot 3, Lot 4 and Lot 5 as follows: The Owner of Lot 3 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs; the Owner of Lot 4 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs; and the Owner of Lot 5 is liable for _____ percent (___%) of the Shared Storm Sewer Improvement Maintenance Costs. Article III, Section 3 of this Agreement describes the Owners obligations with respect to the payment of maintenance costs.

- D. **Grant of Inspection and Repair Easement to City**. Sophia-Ramsey and the HRA each grant the City of Ramsey a perpetual, non-exclusive easement in gross over and across the Lots to permit the City to inspect private water lines, storm sewer lines and related equipment located on the Property and to maintain and repair those lines and equipment if the City determines that the Lot Owners are not adequately maintaining or repairing those lines or equipment (the “Public Inspection Repair Easement”). Except in circumstances where the City must act promptly to prevent or limit damage to public or private property or to protect public health and safety, the City must give Owners written notice of the maintenance or repairs the City determines are necessary and must allow the Owners thirty (30) days after the delivery of such notice to perform the maintenance or repairs themselves before the City may exercise its right to maintain or repair private lines and equipment. If the City makes inspections or undertakes maintenance or repairs pursuant to this Section D, the City must use commercially reasonable efforts to minimize disruption to the Owners; the Owners’ tenants; and the Owners’ and the Owners’ tenants’ guests and invitees. If the City incurs costs or expenses

to maintain or repair private water lines, storm sewer lines or related equipment as authorized by this Section, the City may allocate the costs that the City incurs among the Lots the City's work benefits based on the relative square foot area of the benefitted Lots or on such other basis as the City determines to be fair and equitable to the Owners and may provide the Owners with notice of the amount of the costs allocated to each Lot. Owners must pay amounts the City allocates to the Owner's Lot to the City within thirty (30) days after the City provides written notice of the amount due. If an Owner fails to pay amounts the City allocates to the Owner's lot to the City within thirty (30) days after the City provides written notice of the amount due, the City may levy special assessment against the Lot for the amount the City allocated to the Owner's Lot in accordance with the requirements in Minnesota Statute Chapter 429.

- E. **Defined Term "Easement" and "Easements"**. The West Access Easement, the East Access Easement, the Water and Sanitary Sewer Easement and the Storm Sewer Easement are referred to in this Agreement, individually, as an "Easement," and, collectively, as the "Easements."
- F. **Rights of Owners of Burdened Lots**. The Owner of a Lot an Easement burdens may use the Owner's Lot in all ways that do not unreasonably interfere with the rights granted under Easements and has the right to grant additional non-exclusive easements to third parties.

3. **Payment of Maintenance Costs.**

- A. **Payment Requests and the Obligation to Make Payments**. Within sixty (60) days after the end of each calendar year, an Owner who is responsible for performing maintenance, making repairs and replacing improvements under Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III will submit payment invoices to the other Owners who are liable for a share of the costs of such work under Sections 2.A.(iii), 2.B.(iii) or 2C.(iii) of this Article III. Each invoice shall contain the following information: (i) the total amount the Owner paid in West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs, as the case may be, during the previous calendar year; and (ii) the calculation of each Owner's share of the West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs, as the case may be, based on the percentages set forth in Section 2.A(iii) and Section 2.B(iii) or 2.C(iii) (each a "Payment Request"). Owners must pay all amounts due pursuant to a Payment Request to the Owner submitting the Payment Request within thirty (30) days after delivery of the Payment Request to the Owner.

- B. **Records.** An Owner performing maintenance or making repairs or replacements pursuant to Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III (a “Maintaining Owner”) must maintain accurate records regarding the West Access Easement Maintenance Costs, East Access Easement Maintenance Costs, or Shared Storm Sewer Improvement Maintenance Costs the Maintaining Owner incurs (the “Maintenance Costs Records”); provided the Maintaining Owner may, at any time, discard Maintenance Costs Records that are more than seven (7) years old. A Owner who is obligated to pay a Maintaining Owner for West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs (a “Paying Owner”) may, upon submission of a written request to the Maintaining Owner to whom the Paying Owner is obligated to make payments, examine such Maintaining Owner’s Maintenance Cost Records and the Maintaining Owner must make its Maintenance Cost Records available to the Paying Owner for review within thirty (30) days of the Paying Owners’ Request. If, after inspecting a Maintaining Owner’s Maintenance Cost Records, a Paying Owner believes there are errors or discrepancies in the Maintaining Owners Maintenance Records which have resulted in overpayment by the Paying Owner, the Paying Owner may notify the Maintaining Owner of the existence and substance of all discrepancies the Paying Owner is alleging. The Paying Owner and the Maintaining Owner shall have thirty (30) days to resolve the alleged discrepancies to their mutual satisfaction, and if they are not successful in resolving the discrepancies to their mutual satisfaction, either the Maintaining Owner or the Paying Owner may in Anoka County District Court to pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs and, if the Paying Party prevails, the Paying Owner may also recover the actual out of pocket costs the Paying Owner incurred to review and audit the Maintaining Owners Maintenance Records
- C. **Interest and Late Fees.** If any Paying Owner fails to pay its share of West Access Easement Maintenance Costs, East Access Easement Maintenance Costs or Shared Storm Sewer Improvement Maintenance Costs within thirty (30) days after receipt of a Payment Request, then in addition to such rights and remedies provided for under Section 6, the Maintaining Owner entitled to receive such payment is entitled to also receive: (i) interest at a rate equal to the lower of the highest rate permitted by law, or four percent (4%) above the reference rate announced from time to time by U.S. Bank, N.A., Minneapolis office (or the reference rate of any successor bank designated by mutual agreement of the parties), from the date the payment was due until the date the payment is received; (ii) a late payment charge in the amount of Two Hundred Fifty Dollars (\$250.00), not as a penalty, but as a way of defraying the costs that

would be incurred in dealing with late payments; and (iii) reasonable attorneys' fees it incurs as a result of payment delinquencies.

4. **Insurance.** Each Party agrees to maintain, at all times, a policy or policies of commercial general liability insurance providing coverage on an "occurrence" rather than a "claims made" basis. The policy shall include coverage for bodily injury, property damage, personal injury, contractual liability (applying to this Agreement), and independent contractors. The policy or policies shall be in such amounts as prudent owners of the type of each property each Party owns within the Minneapolis, Minnesota metropolitan statistical area would maintain but in any event must be in at least the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate. Each Party agrees to provide evidence of such liability insurance in the form of a Certificate of Insurance if requested by the other Parties.

5. **Compliance with Laws.** The Owners must at all times use the Lots in compliance with all statutes, laws, rules, regulations and ordinances as may exist from time to time and that they shall not, at any time, use, store, dispose of or release on any Lot or cause or permit to exist to be used, stored, disposed of or released on any Lot any substance which is defined as a "hazardous substance", "hazardous material", "toxic substances" or "solid waste" in violation of any federal, state or local law, statute or ordinance.

6. **Restriction.** No improvements, building, fence, wall or other structure may be built or maintained on the portion of Lot 1 that is legally described and depicted on the attached Exhibit D (the "Restricted Property"). The Restricted Property may be used for surface uses such as a parking lots, patios, hardscaping and landscaping. The owner of the Restricted Property may construct one sign within the Restricted Property. In addition to compliance with all provisions of the City of Ramsey's Code of Ordinances that apply to any such sign, the Owner of the Restricted Property must construct any sign located on the Restricted Property in conformance with design and construction plans which the Owner has submitted to the HRA for review and which the HRA has approved. The HRA may not unreasonably delay, condition or deny is approval. The purpose for the HRA's review and approval rights is to ensure consistency between the appearance of the sign located in the Restricted Area and signs the HRA constructs within easements the HRA reserves to itself on Lots 4 and 5, COR TWO, Anoka County, Minnesota. The HRA may assign its review and approval rights under this Section 6 to any party to whom the HRA assigns the signage easements it reserves over Lots 4 and 5, COR TWO. The Owner of Lot 1 may not create any additional curb cuts between the northerly 100 feet of Lot 1 and the East Access Easement Property.

7. **Emergency Self Help.** Notwithstanding the allocations of responsibility for maintenance, repair and replacement set forth in Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III, the Owner of a Lot benefitted by an Easement may make emergency repairs to or plow and remove debris from the portions of the West Roadway Improvements or the East Roadway Improvements that provide access to the Owners' Lot and may make emergency repairs to Shared Storm Sewer Improvements serving the Owners' Lot or the improvements located on the Owners' Lot, if and to the extent necessary to maintain commercially reasonable access and utility service to the Owners' Lot. An Owner performing such emergency repairs, plowing or debris removal must use commercially reasonable efforts to notify, in writing or otherwise, the Owner otherwise responsible under this Agreement for such repairs, plowing or debris removal

of the performing Owners' actions as promptly as possible. An Owner who exercises its rights under this Section 7 without giving the thirty (30) day notice and opportunity to cure described in Section 8 is not entitled to recover and does not have a lien for its costs it incurs to in undertaking the emergency repairs, snow removal or debris removal pursuant to the self-help provisions of Section 8 but may, notwithstanding its failure to give the thirty (30) day advance written notice of default as contemplated in Section 8, commence an action in Anoka County District Court against the party responsible under this Agreement for the performance of the repairs and in such action pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs.

8. **Default.** If Owner defaults in the performance of one or more of its obligations under this Agreement or in the observance of one or more of the restrictions set forth in this Agreement and such default continues for thirty (30) days after another Owner delivers a written notice of default to the defaulting Owner, the non-defaulting Owner may commence an action in Anoka County District Court to pursue any and all remedies available at law or in equity including, but not limited to the commencement of one or more actions seeking monetary damages, injunctive relief and specific performance. In any such action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs. If an Owner responsible for maintenance, repairs and replacements under Section Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III defaults in the performance of its obligation to maintain, repair or replace pursuant to Sections 2.A(ii), 2.B(ii) or 2.C(ii) of this Article III, another Owner gives the defaulting Owner a notice of default as contemplated in this Section 7 and the defaulting Owner fails or refused to cure its default within the thirty (30) day period provided for in this Section 7, the Owner who provided the notice of default may perform the obligations of the defaulting Owner or may engage a third party to perform the obligations of the defaulting Owner and shall be entitled to recover its costs of performance from other Owners in accordance with the terms of this Agreement. If an Owner fails or refuses to pay amounts due under Section 3(B) of this Article III when and as due and fails or refuses to cure its default within the thirty (30) day period provided for in this Section 8, the Owner entitled to payment under Section 3(B) shall have and is entitle to foreclose a lien against the defaulting Owner's Lot; provided, however, the lien may only be foreclosed by action and in the same manner as the foreclosure of a mortgage by action, under Minnesota Statutes Chapter 581.

9. **Amendments.** Except as provided in this Section 9, neither this Agreement nor the easements granted and declared herein may be amended, modified or terminated except by recording in the appropriate County land records of Anoka County, Minnesota a written agreement that all of the Owners of all of the Lots have executed. The Owners of all of the Lots that the West Access Easement either benefits or burdens may, without notice to or the consent of the Owners of other Lots, modify or amend the legal description of the West Access Easement by recording in the appropriate County land records of Anoka County, Minnesota a written modification agreement or amendment that all of the Owners of the Lots benefitted or burdened Lots have executed. An Owner of a Lot that the Storm Sewer Easement burdens may, without notice to or the consent of the Owners of other Lots, relocate the Storm Sewer Improvements located on that Owner's Lot and unilaterally amend this Agreement to relocate the boundaries of the portion of the Storm Sewer Easement located on the Owner's Lot provided: (1) the Owner

does so at its sole cost and expense; (2) the design standards and actual performance of the relocated Storm Sewer Improvements (in terms of both capacity, rate of flow and storm water treatment) meets or exceeds the design standards and actual performance of the Storm Sewer Improvements being relocated; (3) the relocation does not result materially interrupt or interfere with other Owners use of the Storm Sewer Improvements; and (4) the Owner who is relocating the Storm Sewer Improvements on its Lot records a unilateral amendment to this Agreement relocating the Storm Sewer Easement to correspond to the location of the relocated Storm Sewer Improvements.

10. **Notices.** To the extent that any notices are required hereunder, such notice shall be in writing and shall be effective if sent to another Party via certified or registered mail, return receipt requested at the addresses as set forth below:

The Housing and Redevelopment Authority in and for the City of
Ramsey
Attn: Executive Director
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, Minnesota 55303

With a copy to: Randall and Goodrich PLC
Attn. William K. Goodrich
2140 Fourth Avenue North
Anoka, Minnesota 55303

Sophia-Ramsey LLC.
Attn. Steve Johnson
1508 Welland Avenue
Minnetonka, Minnesota 55305

With a copy to: Siegel Brill, P.A.
Attn. Anthony J. Gleekel, Esq.
100 Washington Avenue South
Suite 1300
Minneapolis, Minnesota, 55401

Any Owner or an Owner's successor in title may designate a different address or addresses for notices by giving written notice to the other Owners. Notices not sent via certified or registered mail as described above are effective as of the date the Party receiving the notice actually receives the notice.

11. **Covenants Running with the Land.** The Parties intend for the easements, covenants and restrictions herein run with title to the Lots and to inure to the benefit of and be binding upon the Owners of the Lots, and their respective successors in title; provided, however, when ownership of a Lot is transferred, whether by conveyance, operation of law or otherwise, the transferring Owner is automatically relieved from liability for any future obligations first arising under this Agreement after the effective date of the conveyance or other transfer. The

transferring Owner remains liable for any obligations first arising before the effective date of the conveyance or other transfer.

12. **Severability.** If any provision of this Agreement is held invalid, the validity of the remainder of the Agreement shall not be affected thereby.

13. **Failure to Enforce Not a Waiver.** No provision contained in this Agreement shall be deemed to have been abrogated or waived by reason of any failure to enforce the same.

14. **Estoppel Certificates.** Upon the request of any Owner or a prospective lender, purchaser, tenant or mortgagee of an Owner, an Owner must execute and deliver estoppel certificate stating, to the best of the certifying Owner's knowledge that a) this Agreement is in full force and effect (or describing why this Agreement is not in full force and effect such amendment); b) this Agreement has not been amended (or stating the terms of any alleged amendment); c) the certifying Owner or any other specified Owner is not in default under the Agreement (or list any known defaults).

15. **No Merger.** It is the intent of the Parties that the Easements, covenants and other interests described herein shall not merge into the fee ownership of any of the Lots.

16. **Governing Law.** This Agreement has been entered into in the State of Minnesota and shall be governed by and construed under the laws of the State of Minnesota.

17. **Complete Agreement.** This Agreement represents the full and complete agreement of the Parties with respect to the matters set forth herein.

18. **Section Headings.** The section headings contained in this Agreement are for purposes of reference and convenience only and shall not limit or otherwise affect in any way the meaning of this Agreement.

(Signatures appear on following pages)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year as set forth above.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA,
a public body under the laws of Minnesota

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____ the Chair, and _____ the Executive Director, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body under the laws of Minnesota, on behalf of said public body.

Notary Public

SOPHIA-RAMSEY LLC.,
a Minnesota limited liability company

By: _____
Its: _____

STATE OF MINNESOTA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, the _____ of Sophia-Ramsey LLC., a Minnesota limited liability company, on behalf of the company.

Notary Public

This Instrument Drafted By:
Briggs and Morgan, P.A. (TLB)
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

CONSENT OF LENDER (BMO Harris Bank N.A.)

BMO Harris Bank N.A., the successor by merger to M&I Marshall & Ilsley Bank (“Lender”) is the owner and holder of that certain Mortgage and Security Agreement and Fixture Financing Statement dated March 8, 2005 and recorded on March 10, 2005 in the Office of the Anoka County Registrar of Titles as Document No. 482071.008 and the owner and holder of that certain Assignment of Rents and Leases dated March 8, 2005 and recorded March 10, 2005 in the Office of the Anoka County Registrar of Titles as Document No. 482071.009 (collectively the “Mortgage and Assignment of Rents and Leases”). Lender hereby consents to Sophia-Ramsey, LLC’s execution and delivery of this Agreement and Declaration of Easements, Covenants and Restrictions for COR TWO (the “Declaration”); consents to the recording of the Declaration in the Office of the Anoka County Registrar of Titles and agrees that all of its right, title and interest in and to the property described in the Mortgage and Assignment of Rents and Leases hereafter is and shall be hereafter subject to the terms and conditions of the Declaration.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Lender Consent as of _____, 2012.

LENDER:

BMO HARRIS BANK N.A., the successor by merger to M&I Marshall & Ilsley Bank, a national banking association

By: _____

Name: _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2012 by _____, the _____ of BMO Harris Bank N.A., a national banking association on behalf of the association.

Notary Public

EXHIBIT A

Legal Description of the West Access Easement Property

DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT

LEGAL DESCRIPTION

AN INGRESS AND EGRESS EASEMENT OVER AND ACROSS THAT PART OF LOTS 3, 4 AND 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 4; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 20.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 154.56 FEET; THENCE SOUTHEASTERLY 83.66 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 220.00 FEET, A CENTRAL ANGLE OF 21 DEGREES 47 MINUTES 14 SECONDS AND A CHORD THAT BEARS SOUTH 79 DEGREES 18 MINUTES 20 SECONDS EAST; THENCE NORTH 53 DEGREES 55 MINUTES 25 SECONDS EAST, A DISTANCE OF 15.17 FEET; THENCE NORTH 05 DEGREES 41 MINUTES 40 SECONDS WEST, PARALLEL WITH THE EAST LINE OF SAID LOT 4, A DISTANCE OF 58.96 FEET; THENCE NORTHERLY 40.39 FEET, PARALLEL WITH SAID EASTERLY LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 515.00 FEET AND A CENTRAL ANGLE OF 5 DEGREES 29 MINUTES 43 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 104.81 FEET TO THE NORTH LINE OF SAID LOT 4, THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 15.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 4; THENCE CONTINUING NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 5, A DISTANCE OF 15.00 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH SAID EAST LINE OF SAID LOT 4 AND THE WEST LINE OF SAID LOT 5, A DISTANCE OF 104.81 FEET; THENCE SOUTHERLY 46.52 FEET, PARALLEL WITH SAID WEST LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 485.00 FEET AND A CENTRAL ANGLE OF 5 DEGREES 29 MINUTES 43 SECONDS; THENCE SOUTH 05 DEGREES 41 MINUTES 40 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 75.58 FEET; THENCE SOUTH 32 DEGREES 49 MINUTES 06 SECONDS EAST, A DISTANCE OF 27.46 FEET; THENCE SOUTH 64 DEGREES 11 MINUTES 24 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 5, A DISTANCE OF 29.82 FEET; THENCE SOUTHEASTERLY 47.50 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 180.00 FEET AND A CENTRAL ANGLE OF 15 DEGREES 07 MINUTES 07 SECONDS AND A CHORD THAT BEARS SOUTH 71 DEGREES 44 MINUTES 57 SECONDS EAST; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, A DISTANCE OF 40.60 FEET; THENCE NORTHWESTERLY 65.72 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT 3 AND ALONG A NON-TANGENTIAL CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 220.00 FEET AND A CENTRAL ANGLE OF 17 DEGREES 07 MINUTES 00 SECONDS AND A CHORD THAT BEARS NORTH 72 DEGREES 44 MINUTES 54 SECONDS; THENCE NORTH 64 DEGREES 11 MINUTES 24 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3 AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 78.49 FEET; THENCE WESTERLY 81.71 FEET, PARALLEL WITH SAID SOUTH LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE SOUTH HAVING A RADIUS OF 180.00 FEET AND A CENTRAL ANGLE OF 26 DEGREES 00 MINUTES 33 SECONDS; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH SAID NORTH LINE AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 154.56 FEET TO THE WEST LINE OF SAID LOT 3, THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ALONG SAID WEST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Scott C. Trosen

SCOTT C. TROSEN Date: 08.06.12 License No. 47465 Revised:

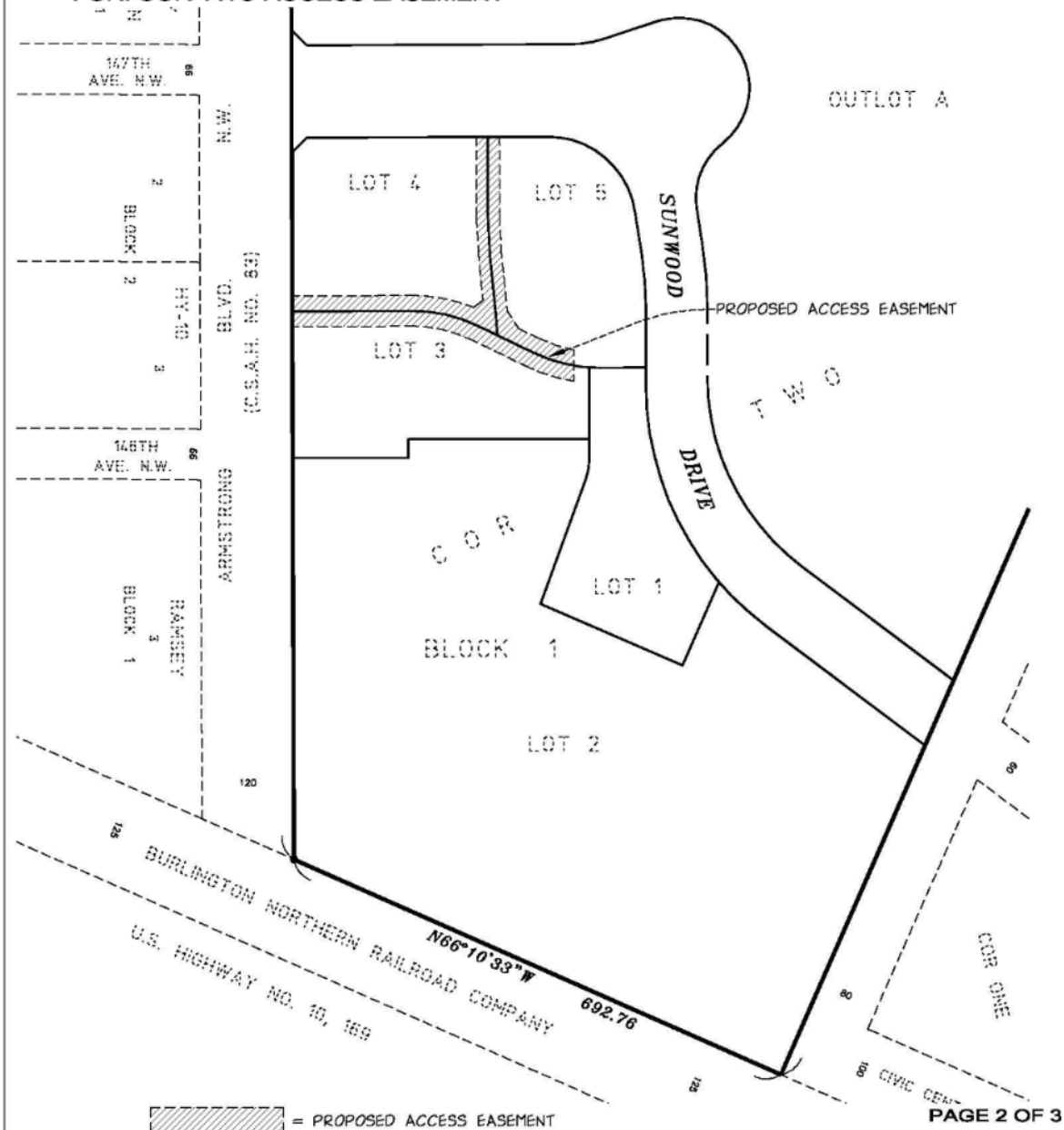



105 South Fifth Avenue Suite 513 Minneapolis, MN 55401 Web: landform.net

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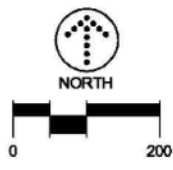
DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT

PAGE 2 OF 3



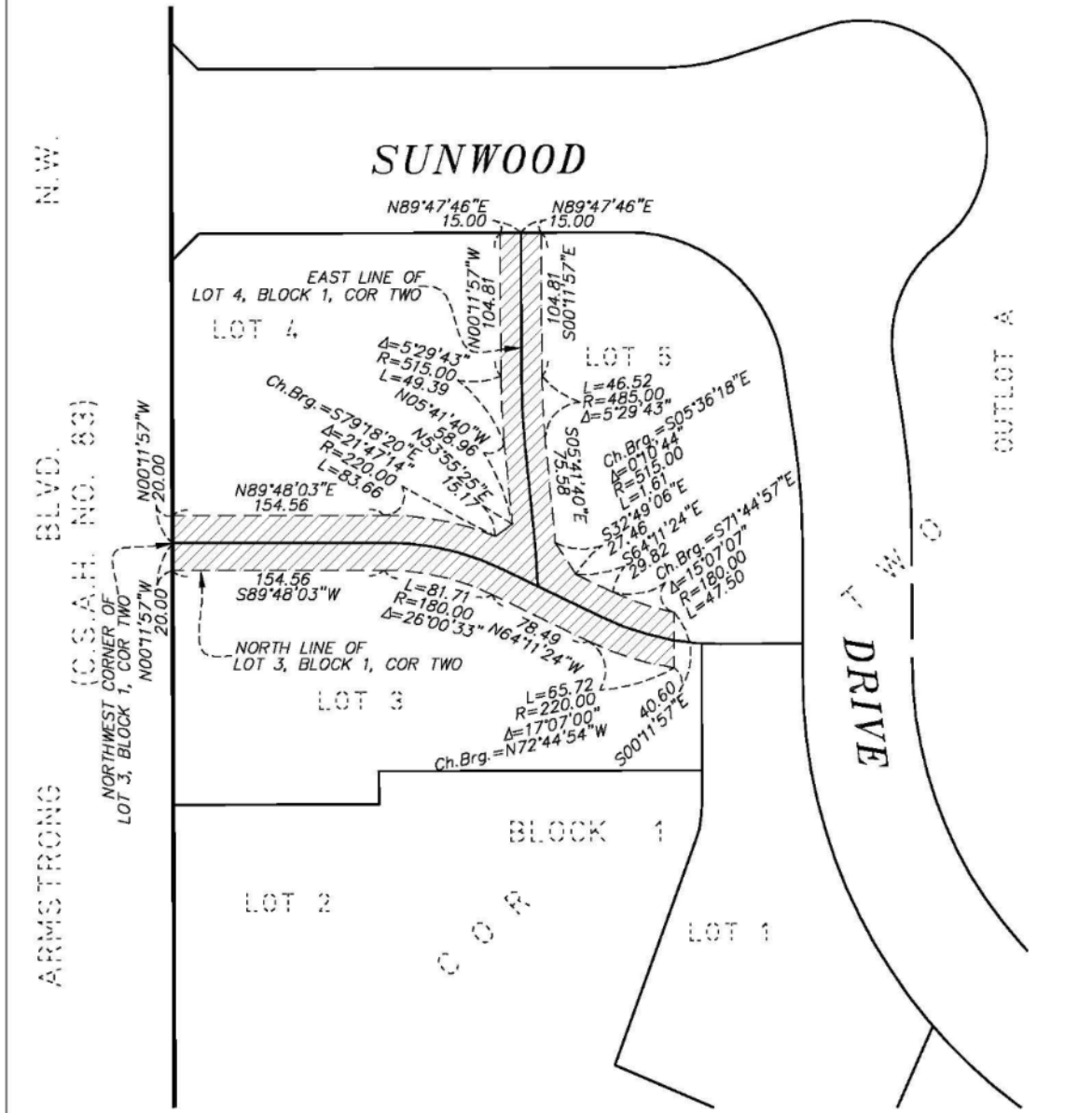
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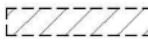
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Minneapolis, MN 55401
Web: landform.net

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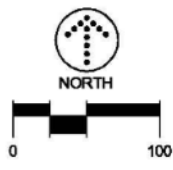
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FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT

PAGE 3 OF 3



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EXHIBIT B

Legal Description of the East Access Easement Property

DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT

LEGAL DESCRIPTION

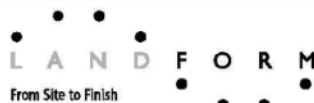
AN INGRESS AND EGRESS EASEMENT OVER AND ACROSS THAT PART OF LOTS 1, 2, 3 AND 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, ASSUMED BEARING, ALONG THE EAST LINE OF SAID LOT 1, A DISTANCE OF 20.00 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 29.00 FEET; THENCE SOUTH 44 DEGREES 48 MINUTES 03 SECONDS WEST, A DISTANCE OF 35.36 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1, A DISTANCE OF 71.19 FEET; THENCE SOUTHERLY 35.68 FEET, PARALLEL WITH SAID WESTERLY LINE AND ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 102.00 FEET AND A CENTRAL ANGLE OF 20 DEGREES 02 MINUTES 36 SECONDS; THENCE SOUTH 19 DEGREES 50 MINUTES 39 SECONDS WEST, PARALLEL WITH SAID WEST LINE AND TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 174.53 FEET TO THE SOUTH LINE OF SAID LOT 1, THENCE NORTH 66 DEGREES 37 MINUTES 45 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 20.04 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE CONTINUING NORTH 66 DEGREES 37 MINUTES 45 SECONDS WEST, ON THE NORTHWESTERLY EXTENSION OF THE SOUTH LINE OF SAID LOT 1 A DISTANCE OF 20.04 FEET; THENCE NORTH 19 DEGREES 50 MINUTES 39 SECONDS, PARALLEL WITH SAID WESTERLY LINE OF LOT 1 AND THE EASTERLY LINE OF LOT 2, A DISTANCE OF 172.06 FEET; THENCE NORTHERLY, 21.69 FEET, PARALLEL WITH SAID EASTERLY LINE AND ALONG A TANGENTIAL CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 62.00 FEET AND A CENTRAL ANGLE OF 20 DEGREES 02 MINUTES 36 SECONDS; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID EASTERLY LINE OF SAID LOT 2 AND THE EASTERLY LINE OF SAID LOT 3 AND ITS NORTHERLY EXTENSION, A DISTANCE OF 139.43 FEET; THENCE EASTERLY, PARALLEL WITH THE SOUTH LINE OF SAID LOT 5 AND ALONG A NON-TANGENTIAL CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 180.00 FEET, A CENTRAL ANGLE OF 10 DEGREES 53 MINUTES 26 SECONDS AND A CHORD THAT BEARS 84 DEGREES 45 MINUTES 14 SECONDS EAST; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SAID SOUTH LINE, A DISTANCE OF 59.99 FEET TO THE EASTERLY LINE OF SAID LOT 5, THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Scott C. Trosen

SCOTT C. TROSEN Date: 08.06.12
License No. 47465 Revised:

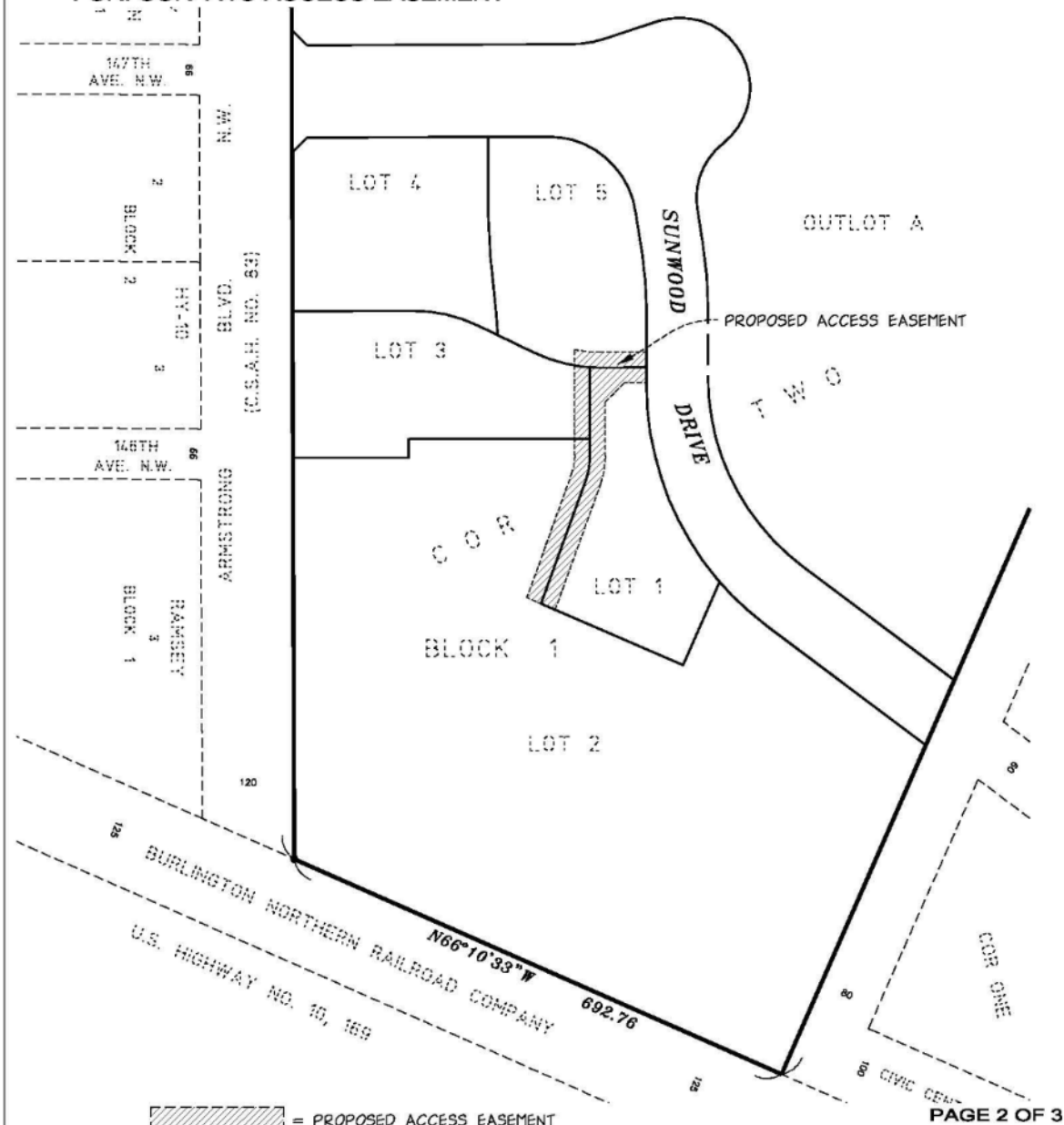



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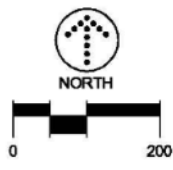
DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



 = PROPOSED ACCESS EASEMENT

PAGE 2 OF 3



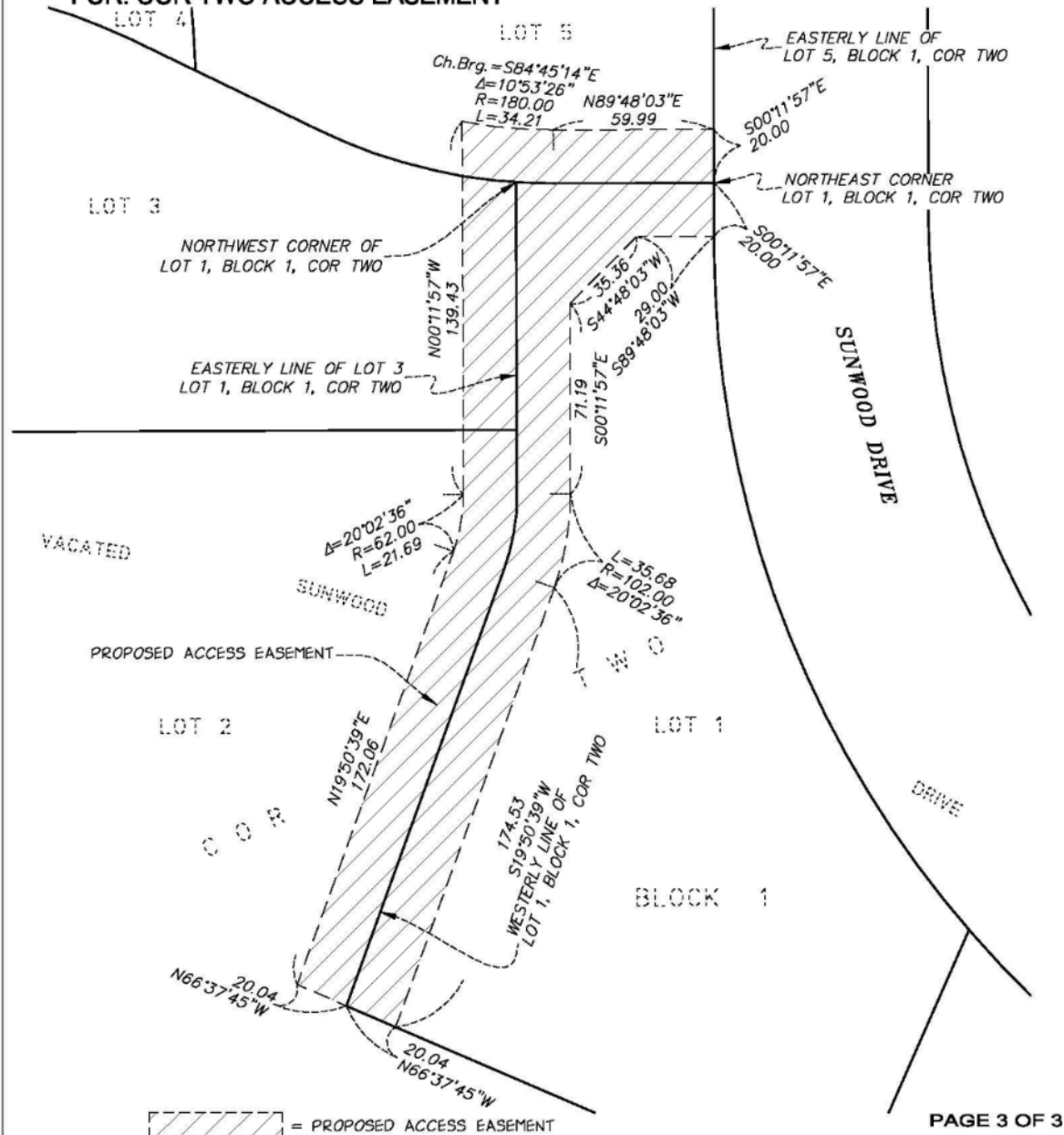
LANDFORM
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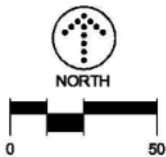
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DESCRIPTION SKETCH

FOR: COR TWO ACCESS EASEMENT



PAGE 3 OF 3



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Job No. RAM12020 Drawing: ease-Access E. By: SCT

EXHIBIT C

Legal Description of the Storm Sewer Easement Property

DESCRIPTION SKETCH

FOR: COR TWO PRIVATE UTILITY EASEMENT

LEGAL DESCRIPTION

A PRIVATE UTILITY EASEMENT OVER, UNDER AND ACROSS THAT PART OF LOTS 3 AND 4, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 3; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 4, A DISTANCE OF 10.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 181.38 FEET; THENCE SOUTH 57 DEGREES 53 MINUTES 33 SECONDS EAST, A DISTANCE OF 63.82 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 56 SECONDS WEST, A DISTANCE OF 112.94 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 04 SECONDS EAST, A DISTANCE OF 21.03 FEET TO THE WEST LINE OF LOT 5, BLOCK 1, COR TWO; THENCE SOUTHERLY 15.54 FEET ALONG SAID WEST LINE AND A NON-TANGENTIAL CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 500.00 FEET, A CENTRAL ANGLE OF 01 DEGREES 46 MINUTES 49 SECONDS AND A CHORD THAT BEARS SOUTH 04 DEGREES 48 MINUTES 15 SECONDS EAST; THENCE SOUTH 05 DEGREES 41 MINUTES 40 SECONDS EAST, ALONG SAID WEST LINE, A DISTANCE OF 75.58 FEET; THENCE SOUTHERLY 30.48 FEET ALONG SAID WEST LINE AND ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 3 DEGREES 29 MINUTES 35 SECONDS TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE SOUTH 02 DEGREES 12 MINUTES 05 SECONDS EAST, TANGENT TO LAST DESCRIBED CURVE, A DISTANCE OF 19.94 FEET; THENCE SOUTH 42 DEGREES 06 MINUTES 51 SECONDS EAST, A DISTANCE OF 53.50 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 51.06 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 60.00 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 03 SECONDS EAST, PARALLEL WITH SAID SOUTH LINE, A DISTANCE OF 10.00 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 15.00 FEET TO SAID SOUTH LINE OF LOT 3, THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 80.00 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS, PARALLEL WITH SAID WEST LINE, A DISTANCE OF 66.16 FEET; THENCE NORTH 42 DEGREES 06 MINUTES 51 SECONDS WEST, A DISTANCE OF 68.47 FEET; THENCE NORTH 57 DEGREES 53 MINUTES 33 SECONDS WEST, A DISTANCE OF 74.76 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 03 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 175.59 FEET TO THE WEST LINE OF SAID LOT 3; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ALONG SAID WEST LINE, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.

Scott C. Trosen

SCOTT C. TROSEN Date: 08.03.12 License No. 47465 Revised: 09.05.12

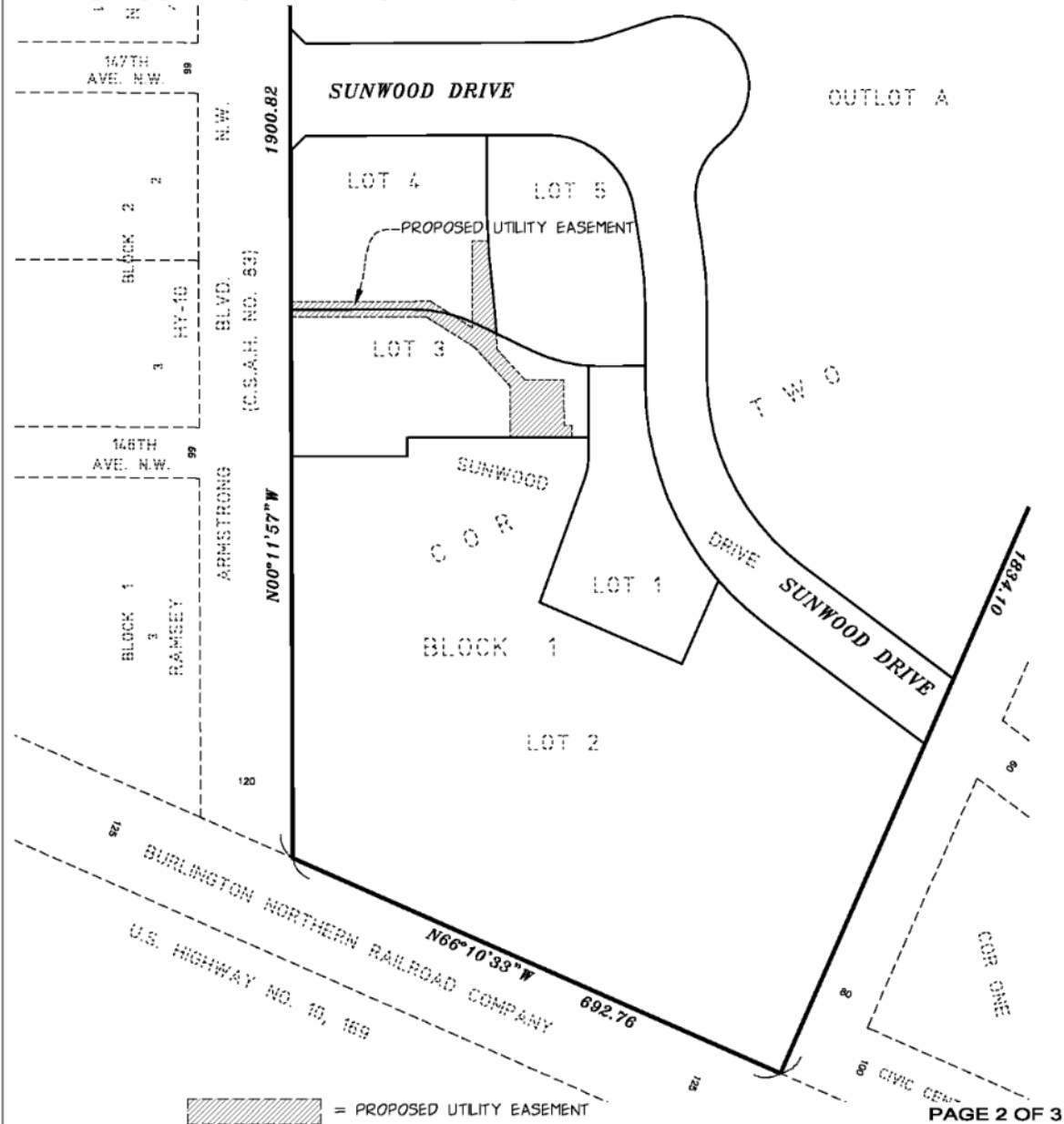


105 South Fifth Avenue Suite 513 Minneapolis, MN 55401 Web: landform.net

Job No. RAM12020 Drawing: ease-Priv. Util. By: SCT

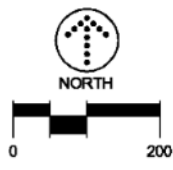
DESCRIPTION SKETCH

FOR: COR TWO PRIVATE UTILITY EASEMENT



 = PROPOSED UTILITY EASEMENT

PAGE 2 OF 3



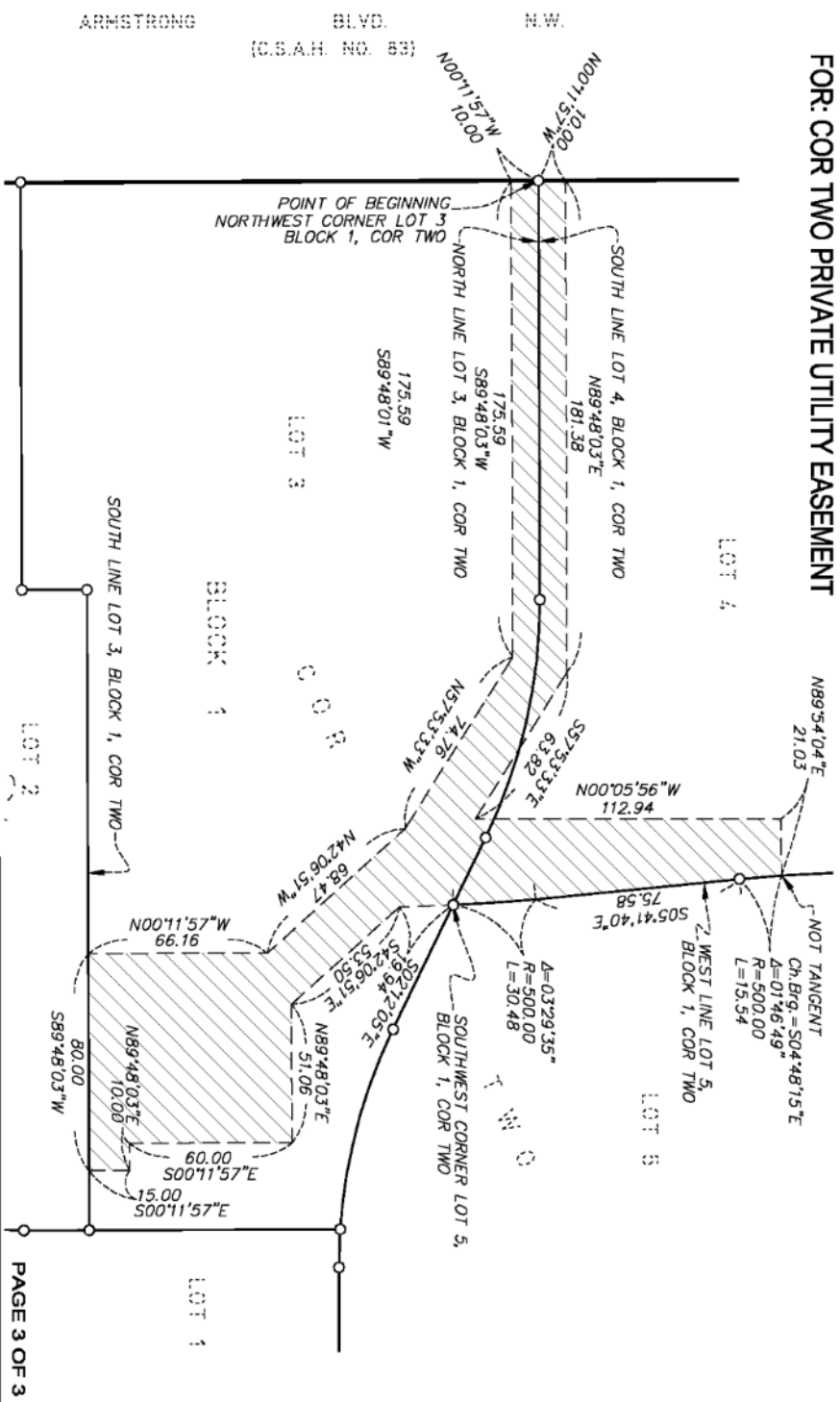
105 South Fifth Avenue
 Suite 513
 Minneapolis, MN 55401
 Web: landform.net

LANDFORM
 From Site to Finish

Job No. RAM12020 Drawing: ease-Priv. Util. By: SCT

DESCRIPTION SKETCH

FOR: COR TWO PRIVATE UTILITY EASEMENT



[Hatched Box] = PROPOSED UTILITY EASEMENT

••• LAND FORM
 From Site to Finish

105 South Fifth Avenue
 Suite 513
 Minneapolis, MN 55401
 Web: landform.net

Job No. RAN12020 Drawing: eas-Priv. Util. By: SCT

EXHIBIT D

Legal Description of the Restricted Property

DESCRIPTION SKETCH

FOR: Part of LOT 1, BLOCK 1, COR TWO

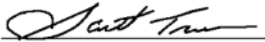
LEGAL DESCRIPTION

THAT PART OF LOT 1, BLOCK 1, COR TWO, ANOKA COUNTY, MINNESOTA LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTH 19 DEGREES 50 MINUTES 39 SECONDS EAST, ASSUMED BEARING ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 147.53 FEET TO THE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE SOUTH 62 DEGREES 41 MINUTES 52 SECONDS EAST, A DISTANCE OF 180.94 FEET TO A POINT ON THE EAST LINE OF SAID LOT 1, SAID POINT LIES 34.99 FEET NORTHWESTERLY FROM THE MOST EASTERLY CORNER OF SAID LOT 1, AS MEASURED ALONG SAID EAST LINE, AND SAID LINE THERE TERMINATING.

PAGE 1 OF 3

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.



SCOTT C. TROSEN Date: 08.23.12
License No. 47465 Revised: _____

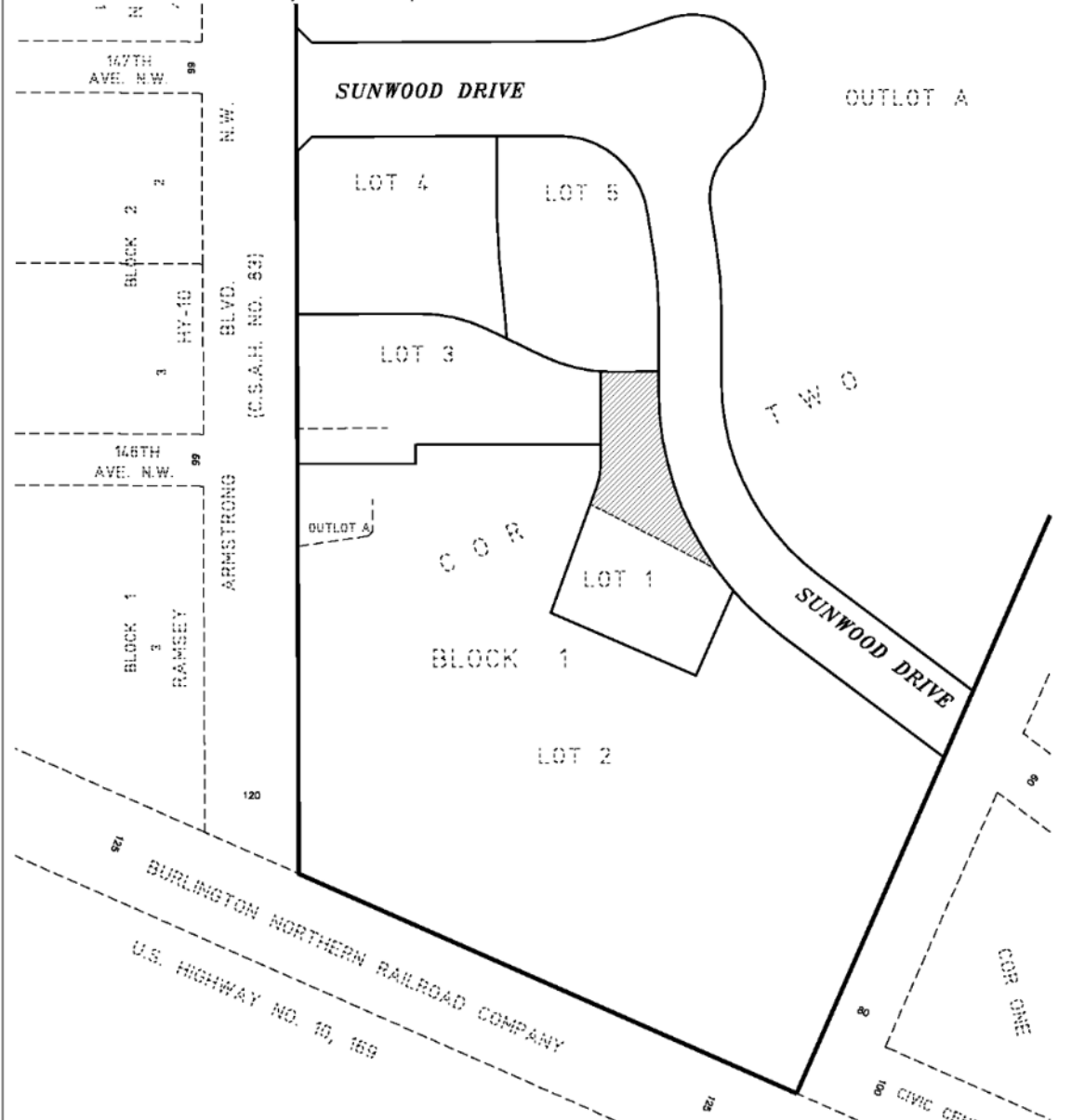


105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401
Web: landform.net

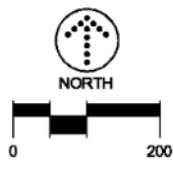
Job No. RAM12020 Drawing: sketch-p/o Lot 1 By: SCT

DESCRIPTION SKETCH


FOR: Part of LOT 1, BLOCK 1, COR TWO



 = DESCRIBED AREA



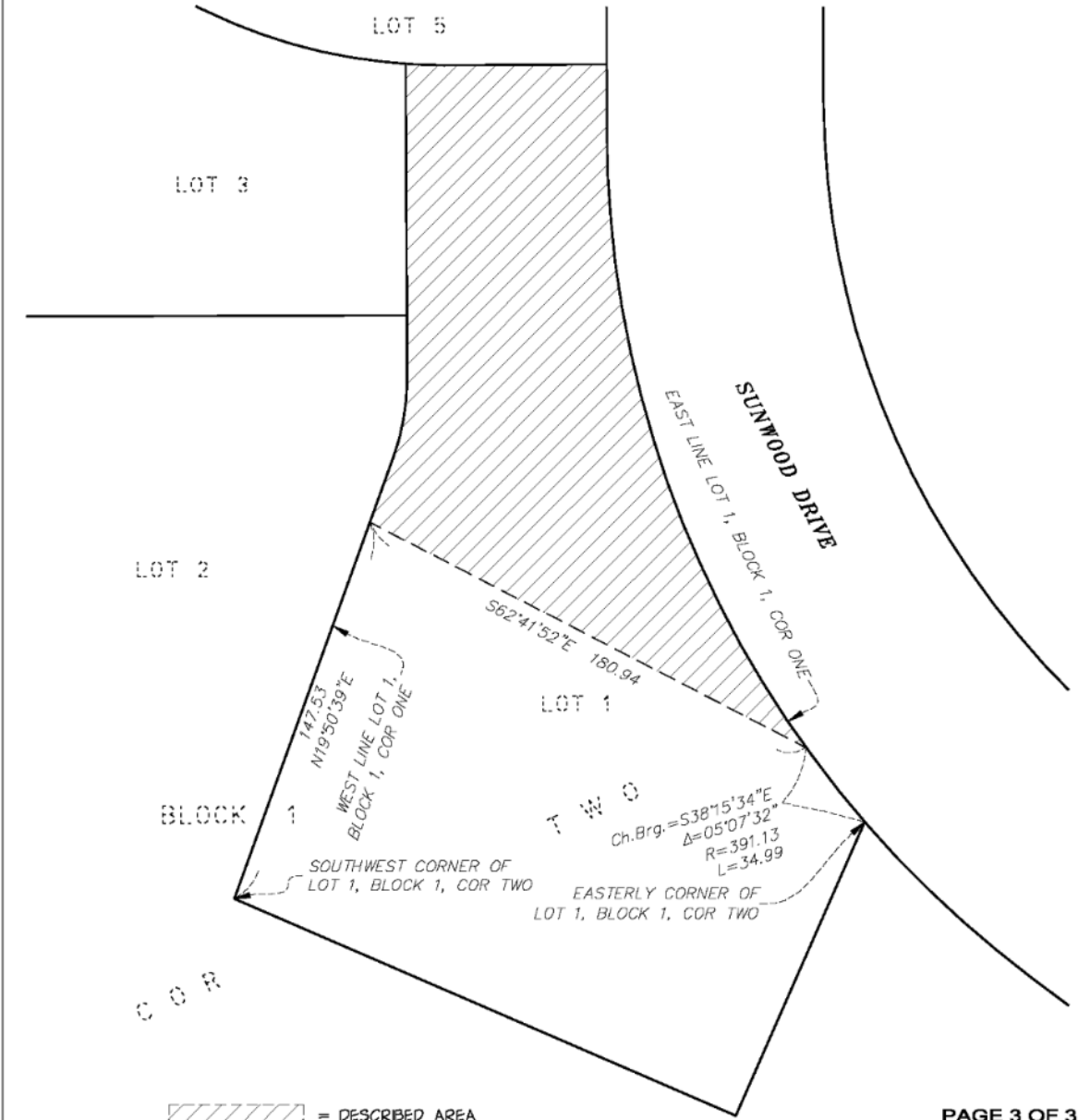
PAGE 2 OF 3


 From Site to Finish
 105 South Fifth Avenue
 Suite 513
 Minneapolis, MN 55401
 Web: landform.net

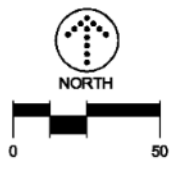
Job No. RAM12020 Drawing: sketch-p/o Lot 1 By: SCT

DESCRIPTION SKETCH


FOR: Part of LOT 1, BLOCK 1, COR TWO



 = DESCRIBED AREA



PAGE 3 OF 3

 LANDFORM From Site to Finish	105 South Fifth Avenue Suite 513 Minneapolis, MN 55401 Web: landform.net
	Job No. <u>RAMI2020</u> Drawing: <u>sketch-p/o Lot 1</u> By: <u>SCT</u>

AGREEMENT RELATING TO THE PLAT OF COR TWO

THIS AGREEMENT RELATING TO THE PLAT OF COR TWO (“Agreement”) is made and entered into effective as of October __, 2012 by and between THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RAMSEY, MINNESOTA, a body politic and corporate under the laws of the State of Minnesota (“HRA”), THE CITY OF RAMSEY, MINNESOTA, a body politic and corporate under the laws of the State of Minnesota (“City”), and SOPHIA-RAMSEY LLC, a Minnesota limited liability company (“Sophia-Ramsey”). This Agreement sometimes refers to the HRA, the City and Sophia-Ramsey, individually, as a “Party” and collectively as the “Parties.”

RECITALS:

A. HRA is the current record fee owner of the real property legally described on the attached Exhibit A (the “HRA Property”);

B. Sophia-Ramsey is the current record fee owner of the real property legally described on the attached Exhibit B (the “Sophia-Ramsey Property”);

C. The City is the current record owner of the real property legally described on the attached Exhibit C (the “City Property” and, collectively with the HRA Property and the Sophia Property, the “Property”);

D. A portion of Sunwood Drive, a public street dedicated on the Plat of RAMSEY TOWN CENTER ADDITION, is located between the HRA Property and the Sophia-Ramsey Property and between the HRA Property and the City Property.

E. To facilitate the relocation of Sunwood Drive, the City is proposing to vacate the portion of the Sunwood Drive right of way, as dedicated on the plat of RAMSEY TOWN CENTER ADDITION that is located westerly of the westerly line of Zeolite Street N.W., as dedicated on the plat of RAMSEY TOWN CENTER ADDITION (the “Vacated Right of Way”) and to replat the HRA Property, the Sophia-Ramsey Property, the City Property and the Vacated Right of Way as Lots 1 through 5, Block 1 and Outlot A, COR TWO, Anoka County, Minnesota and to dedicate a portion of the HRA Property as new right of way for Sunwood Drive. A copy of the preliminary plat of COR TWO, Anoka County, Minnesota is attached as Exhibit D (the “Plat”).

F. Upon the City’s vacation of the Vacated Right of Way, title to a portion of the Vacated Right of Way will accrue to the owner of the HRA Property, title to a portion of the Vacated Right of Way will accrue to the owner of the Sophia-Ramsey Property and title to a portion of the Vacated Right of Way will accrue to the owner of the City Property. A portion of the Vacated Right of Way will be re-dedicated as right of way of Sunwood Drive on the Plat.

G. The City acquired and was holding the City Property as a potential location for signage for other properties located within the interior of TOWN CENTER ADDITION. With the relocation of Sunwood Drive, the City no longer wants to use the City Property for signage and the City Property is too small to be developed as a separate parcel. In addition, the Plat will dedicate a public drainage and utility easement over the City Property. Therefore, after the

vacation of Sunwood Drive and prior to the execution and recording of the Plat, the City will convey the City Property and the portion of vacated Sunwood Drive accrues thereto upon the vacation of the Vacated Right of Way to Sophia-Ramsey to consolidate title to the City Property and the Sophia-Ramsey Property in Sophia-Ramsey.

H. To facilitate the development and use of the HRA Property and the Sophia-Ramsey Property following the relocation of Sunwood Drive, the HRA and Sophia-Ramsey desire to relocate the common boundary between the HRA Property and the Sophia-Ramsey Property. To affect this relocation, the HRA will, subject to and upon the terms and conditions set forth in this Agreement, execute and deliver a quit claim deed to Sophia-Ramsey as provided for in Section 5.1 of this Agreement.

I. In addition, Sophia-Ramsey and the HRA will, immediately following the execution and delivery of deeds as described in Sections 5.1 and 5.2, jointly execute and record an Agreement and Declaration of Covenants, Conditions, Restrictions and Easements for COR TWO in substantially the form attached as Exhibit E (the "Declaration").

J. The parties are executing this Agreement to evidence their agreement regarding the vacation of Sunwood Drive, the recording of the Plat, the exchange of the deeds and the execution of the Declaration.

NOW THEREFORE, in consideration of the respective rights and obligations of the HRA, Sophia-Ramsey and the City under this Agreement, the HRA, Sophia-Ramsey and the City hereby covenant and agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. No Contest. The HRA, Sophia-Ramsey and the City, as owner of the City Property, agree not to formally or informally oppose, challenge, or contest the City of Ramsey's vacation of the Vacated Right of Way; provided the vacation is contingent upon the execution and recording of the Plat.

3. City Deed. After the City's adoption of an Ordinance vacating the Vacated Right of Way, the City will execute and deliver to Sophia-Ramsey, as partial consideration for Sophia-Ramsey's performance of its obligations under this Agreement, a Uniform Minnesota Conveyancing blank form quit claim deed conveying the City Property to Sophia-Ramsey. In addition, if, at the time of the conveyance, the City Property is subject to any mortgage or other lien, the City will obtain and record documentation reasonably acceptable to Sophia-Ramsey that releases the City Property from mortgages or other liens, if any, recorded against title to the City Property.

4. Execution and Recording of the Plat. After the City Council of the City of Ramsey has adopted an Ordinance vacating the Vacated Right of Way, the City has conveyed the City Property to Sophia-Ramsey and the City council of the City of Ramsey has adopted a resolution granting final approval of the Plat, the HRA present the Plat to Sophia-Ramsey for execution and Sophia-Ramsey, as owner of the Sophia-Ramsey Property and the City Property, will promptly cause its chief manager or another appropriately authorized an officer to execute

and acknowledge the Plat and will promptly obtain and deliver to the HRA fully authorized, executed and acknowledged consents to the Plat from each person or entity holding a mortgage or other lien on the Sophia-Ramsey Property. The consent to the Plat must be in a form acceptable to Anoka County. Promptly after Sophia-Ramsey's, execution of the final Plat and delivery of consents to the final plat by all mortgagees and other lienholders holding a mortgage or other liens on the Sophia-Ramsey Property, the HRA will: (a) cause appropriately authorized officers of the HRA to execute and acknowledge the Plat; obtain authorized, executed and acknowledged consents to the Plat from each person or entity holding a mortgage or other lien on the HRA property; and deliver the approved and executed Plat and the Consents to Commercial Partners Title Insurance Company or to another title insurance company selected by the HRA ("Title") with instructions to record the Plat in the offices of the Anoka County Registrar of Titles. Before or contemporaneous with the submission of the Plat to the Anoka County Registrar of Titles for recording, the HRA, Sophia-Ramsey and the City must each pay (a) all real estate taxes due and payable with respect to their respective parcels in the year in which the Plat is recorded; and (b) all installments of special assessments, if any, that are due and payable with respect to their respective parcels in the year in which the Plat is recorded. The HRA and the City represent and warrant to Sophia-Ramsey and to one another that there are no real estate taxes or installments of special assessments due and payable with respect to the HRA Property or the City Property for 2012 or any prior years. Upon notification from the HRA that the HRA is submitting the Plat to Title for recording, the HRA, Sophia-Ramsey and the City must each, within 48 hours, tender to Title, in certified or wire transferred funds, for payment to Anoka County, an amount sufficient to pay all unpaid real estate taxes, installments of special assessments and, if applicable, interest and penalties, that remain due and payable for the year in which the Plat is submitted for recording with respect to the portion of the Property the Party owns. The HRA is responsible for the payment of and will pay all recording fees due and payable to the County in connection with the recording of the Plat. The City has determined that no fees are due to the City with respect to the re-platting of Lots 1 and 2, COR TWO. The HRA shall pay to the City all fees due to the City with respect to the re-platting of Lots 3, 4 and 5, COR TWO. The HRA may seek to negotiate with purchasers of Lots from the HRA to recover all or a portion of the fees due to the City and all or a portion of the cost of constructing any improvements the HRA constructs or causes to be constructed.

5. Exchange of Deeds.

5.1 HRA Deed. Upon the Parties' performance of their obligations under Section 3 and Section 4 above and contemporaneous with the recording of the Plat and the Parties' performance of their obligations under this Section 5 and Section 6, the HRA will deliver to Title, for recording in the office of the Anoka County Registrar of Titles, an authorized, executed and acknowledged Minnesota Uniform Conveyancing Blank Form Quit Claim Deed conveying Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from the HRA to Sophia-Ramsey. In addition, if at the time of the conveyance, the HRA Property is subject to a mortgage or other lien, the HRA will obtain and record documentation reasonably acceptable to Sophia-Ramsey that releases Lots 1 and 2, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from any mortgage or other lien against the HRA Property.

5.2 Sophia-Ramsey Deed. Based on the Upon the Parties' performance of their obligations under Section 3 and Section 4 above and contemporaneous with the recording of the Plat and the Parties' performance of their obligations under this Section 5 and Section 6, Sophia-Ramsey will deliver to the HRA (a) an original, authorized, executed and acknowledged Minnesota Uniform Conveyancing Blank Form Quit Claim Deed conveying Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from Sophia-Ramsey to the HRA and (b) original, authorized, executed and acknowledged releases that release Lots 3, 4 and 5, Block 1, COR TWO, Anoka County, Minnesota, as depicted on the preliminary plat attached as Exhibit D, from any mortgage or other lien against the Sophia-Ramsey Property. The Plat does not result in any portion of the Sophia-Ramsey Property, the City Property or the Vacated Right of Way that accrues to the Sophia-Ramsey Property or the City Property to be included within the boundaries of Lots 3, 4 and 5, Block 1, COR TWO, Anoka County Minnesota, so the HRA will not record the deed and releases provided for in this Section 5.2 unless the Anoka County Recorder requests that the HRA do so.

6. Declaration. Immediately after the recording of the vacation redirecting the City Deed, the Plat, HRA Deed, the Sophia-Ramsey Deed (if the HRA elects to record the Sophia-Ramsey Deed) and the City Deed, HRA and Sophia-Ramsey will execute and record the Declaration. Each party to the Declaration will obtain a recordable consent and agreement to be subject to and bound by the Declaration from all individuals and entities that have a lien against its Property (each a "Lender Consent"). Each Lender Consents must be in a form that reasonably acceptable to both parties to the Declaration.

7. Miscellaneous.

7.1 Remedies and Enforcement. This Agreement is personal to the Parties and is not intended to run with title to the HRA Property, the City Property or the Sophia-Ramsey Property. In the event of a breach of any term of this Agreement, the non-breaching party shall have the right to exercise any and all remedies afforded under law and at equity.

7.2 Amendment. This Agreement may be modified or amended, in whole or in part, only by the written consent of the parties hereto, evidenced by a document that has been fully executed and acknowledged by the duly authorized representatives of each party hereto.

7.3 No Waiver. No waiver of any default of any obligation by any party hereto shall be implied from any omission by the other party to take any action with respect to such default.

7.4 Severability. If any covenant, condition, provision, or term of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms of this Agreement, will not be affected by such holding, and will remain valid and in force to the fullest extent permitted by law.

7.5 Entire Agreement. This Agreement contains the complete understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior

representations, negotiations, and understandings are merged into and superseded by this Agreement.

7.6 Governing Law. The laws of the State of Minnesota shall govern the interpretation, validity, performance, and enforcement of this Agreement.

7.7 Authority. The parties and each individual signing this Agreement on behalf of the parties, represent and warrant that they are duly authorized to sign on behalf of and to bind such party and that this Agreement is a duly authorized, binding and enforceable obligation of such party.

7.8 Counterpart. Each party may execute a separate copy of this Agreement. This Agreement will be enforceable when each party has executed and acknowledged a copy of this Agreement and each party has delivered an original or copy of the Agreement that the party has signed to the other party.

7.9 Notices. Any notice to be given to any party hereto in connection with this Agreement must be in writing, and delivered to the other parties (i) in person; (ii) by facsimile transmission (with confirmation of transmission available upon request from the non-sending party); (iii) by a nationally recognized overnight delivery service; or (iv) by certified mail, return receipt requested. If notice is given in person or via facsimile transmission, notice is deemed to have been given when personal delivery was received by the party or when the facsimile transmission was transmitted. If notice is given by a nationally recognized overnight delivery service, notice is deemed to have been given the day following delivery to the delivery service of such notice. If notice is given by certified mail, notice is deemed to have been given three (3) days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notices should be sent to the parties at the following addresses:

To HRA: The Housing and Redevelopment Authority in
 and for the City of Ramsey, Minnesota
 Ramsey Municipal Center
 7550 Sunwood Drive
 Ramsey, Minnesota 55303
 Attention: Executive Director

To RPC: Sophia-Ramsey LLC
 Attn. Steve Johnson
 1508 Welland Avenue
 Minnetonka, MN 55305

With a Copy to: Siegel Brill, P.A.
 Attn. Anthony J. Gleekel, Esq.
 100 Washington Avenue South
 Suite 1300
 Minneapolis, MN 55401

A party may change its address for delivery of notices by written notice to the other party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA,
a public body under the laws of Minnesota

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____ the Chair, and _____ the Executive Director, of The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body under the laws of Minnesota, on behalf of said public body.

Notary Public

[Signature page 1 of 3 to Agreement Relating to the Plat of COR TWO]

EXHIBIT A

HRA PROPERTY

Outlots F, G and H, RAMSEY TOWN CENTER ADDITION, Anoka County, Minnesota.

Torrens Property Torrens Certificate No. 121665

EXHIBIT B

SOPHIA-RAMSEY PROPERTY

Lots 1 and 2, Block 1, RAMSEY TOWN CENTER 3RD ADDITION, Anoka County, Minnesota

Torrens Property Torrens Certificate No. 105088

EXHIBIT C
CITY PROPERTY

Outlot A, RAMSEY TOWN CENTER 3RD ADDITION, Anoka County, Minnesota.

Torrens Property Torrens Certificate No. 105089.

EXHIBIT D

PRELIMINARY PLAT

COR TWO

CITY OF LAWRENCE
COUNTY OF ANNEKA
SEC. 28 TWP. 02, R.10 S. 25

KNOW ALL PERSONS BY THESE PRESENTS, That the City of Lawrence, a Missouri Municipal Corporation, owner of the following described property:

SECTION 1 & 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

And that the City of Lawrence, Planning and Zoning Department, hereby, a Missouri Municipal Corporation, owner of the following described property:

SECTION 1 & 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

And that Stephen Berman, LLC, a Missouri Limited Liability Company, owner of the following described property:

LOT 1 AND 2, BLOCK 1, LAWRENCE TOWN CENTER THIRD ADDITION, ANNEKA COUNTY, MISSOURI

Have caused the same to be surveyed and platted as COR TWO and do hereby declare to the public, on the design and utility easement shown on this plat.

That the above said City of Lawrence, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, A MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by Stephen Berman and Adam M. Thieling, City Clerk of the City of Lawrence, a Missouri Municipal Corporation, as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

And that the above said City of Lawrence Planning and Zoning Department, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011.

By _____ of the City of Lawrence Planning and Zoning Department, a Missouri Municipal Corporation, on behalf of the corporation.

Name: _____ County: _____

My Commission Expires: _____

And that the above said Stephen Berman, LLC, a Missouri Limited Liability Company, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

STEPHEN BERMAN, LLC, A MISSOURIA LIMITED LIABILITY COMPANY

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by _____.

Name: _____ County: _____

My Commission Expires: _____

I, _____ Notary Public, do hereby certify that the above said Stephen Berman, LLC, a Missouri Limited Liability Company, has caused these presents to be signed by its proper officers this _____ day of _____, 2011, and that the same have been duly acknowledged before me as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

And that the above said City of Lawrence Planning and Zoning Department, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011.

CITY OF LAWRENCE, MISSOURIA MUNICIPAL CORPORATION

Mayor _____ Adam M. Thieling, City Clerk

SEAL OF _____

This instrument was acknowledged before me this _____ day of _____, 2011, by _____.

Name: _____ County: _____

My Commission Expires: _____

I, _____ Notary Public, do hereby certify that the above said City of Lawrence Planning and Zoning Department, a Missouri Municipal Corporation, has caused these presents to be signed by its proper officers this _____ day of _____, 2011, and that the same have been duly acknowledged before me as stated on this instrument.

Name: _____ County: _____

My Commission Expires: _____

• • • • •
A N N O U N C E M E N T
FORM
Not to be filled in
DATE OF RECORDING
RECORDING FEE
RECORDING OFFICE
MOUNTAIN VIEW STATE
SHEET 1 OF 2 SHEETS

EXHIBIT E

**AGREEMENT AND DECLARATIONS OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR COR TWO**

Ramsey, MN
Sunwood Drive
L/C: 022-0575

Prepared by: Gillian Bregman
After recording, return to: Kim Delmedico
McDONALD'S CORPORATION
One McDonald's Plaza
Oak Brook, Illinois 60523

RESTRICTIVE COVENANT

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body corporate and politic under the laws of the State of Minnesota ("Grantor") wishes to enter into a contract ("Contract") with **McDONALD'S USA, LLC, a Delaware limited liability company** ("Grantee") to sell to Grantee a parcel of real estate described on Exhibit A attached ("the Premises").

As an inducement for Grantee to enter into the Contract with Grantor, Grantor has agreed to record a Restrictive Covenant affecting the use of Grantor's parcel of real estate located adjacent to the Premises, as described on Exhibit B, attached ("Lot 3").

THEREFORE, in consideration of ONE DOLLAR AND NO CENTS (\$1.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor promises and declares that the property described on Exhibit B, will not be leased, used or occupied as a Quick Service Restaurant for a period of 20 years from the Grantor execution date listed in this Restrictive Covenant; provided, however, that if (a) Grantee is not operating a McDonald's Restaurant within 545 days after the date listed in this Restrictive Covenant or (b) if McDonalds opens and operates a McDonald's Restaurant and at any time within said 20 year period ceases operating the McDonald's Restaurant for a period of more than 180 days other than as the result of a casualty or any other conditions, which are beyond the reasonable control of any party to this Restrictive Covenant and not due to the fault or negligence of such party, this Restrictive Covenant shall be null and void and of no further force or effect. The term "Quick Service Restaurant" for purposes of this restriction shall be defined as any restaurant or food service establishment with drive thru service, drive-in service or pedestrian walk-up window service whose primary business consists of or whose marketing strategy is based on the sale of hamburgers, ground meat or meat substitute sandwiches, or a combination of ground meat and meat substitute sandwiches, or any other type of meat products, any of which are served in sandwich form or chicken served in sandwich form. Any food service establishment which offers as the primary method of service for all meal times, food and drink orders taken by and served by a waiter or waitress at the customer's table is excluded from the term Quick Service Restaurant. Notwithstanding the foregoing, a restaurant with drive-thru facilities that sells as its primary product hamburgers, ground beef or ground beef products in sandwich form or chicken in sandwich form shall be included in the term "Quick Service Restaurant". In addition, and not by way of example, the following restaurants operating under the listed trade names, or operating under any successor trade names, are prohibited within the area described on Exhibit B, attached:

Apollo Burgers
Bison Jack's
Burger King
Checkers
Culver's
Fatburger
Fuddruckers
Iceberg Drive Inn
Jake's Wayback Burgers
Rally's
Smashburger
Wendy's

Astro Burgers
Bobby's Burger Palace
Burger Street
Cheeburger Cheeburger
DQ Grill & Chill
Five Guys
Hardee's
In-N-Out Burger
Johnny Rockets
Roy Rogers
Sonic
Whataburger

Back Yard Burgers
Burger 21
Carl's Jr.
Crown Burgers
Elevation Burger
Five Napkin Burger
Hires Big H
Jack in the Box
Krystal
Shake Shack
Steak 'n Shake
White Castle

Bojangles'
El Pollo Loco
Pollo Tropical

Brown's Chicken
KFC
Popeyes

Chick-fil-A
Pollo Campero
Raising Cane's

As of the date of this Restrictive Covenant, Grantor is under contract to sell Lot 3 to a third party (the "Next Lot 3 Owner"). This restriction will not be effective as to Grantor and will run with title to Lot 3 until the first to occur of the following: (a) alienation in the form of transfer of title of Lot 3 to any owner who receives fee title to Lot 3 from the Next Lot 3 Owner, or (b) alienation in the form of the subleasing or assignment of any leasehold interest held by the lessee of Lot 3 under any lease agreement between the Next Lot 3 Owner and such lessee, as the term of such lease may be extended. This restriction will inure to the benefit of Grantee and be binding upon Grantor and Grantor's successors and assigns.

Grantor has executed this Restrictive Covenant, this ____ day of _____, 2012.

GRANTOR:
Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota,
a public body corporate and politic under the laws of the State of Minnesota

GRANTEE:
McDONALD'S USA, LLC,
a Delaware limited liability company

By _____
Printed Name: _____
Its _____

By _____
Printed Name: _____
Its _____

ACKNOWLEDGMENT – McDONALD’S
(No Attestation required)

STATE OF ILLINOIS)
) SS:
COUNTY OF DUPAGE)

I, _____, a Notary Public in and for the county and state set forth above,
CERTIFY that _____, as _____ of McDONALD’S USA,
LLC, a Delaware limited liability company, who is personally known to me to be the same person whose
name is subscribed to the foregoing instrument as such authorized party, appeared before me this day in
person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and
voluntary act as such authorized party and as the free and voluntary act of the company for the uses and
purposes described in this instrument.

Given under my hand and notarial seal, this _____ day of _____, _____.

_____ My commission expires _____.
Notary Public

ACKNOWLEDGMENT – GRANTOR

STATE OF _____)
) SS:
COUNTY OF _____)

I, _____, a Notary Public in and for the county and state set forth above,
CERTIFY that _____, as _____ of the **Housing and
Redevelopment Authority in and for the City of Ramsey, Minnesota**, a public body corporate and
politic under the laws of the State of Minnesota who is personally known to me to be the person whose
name is subscribed to the foregoing instrument as such authorized party, appeared before me this day in
person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and
voluntary act as such authorized party and as the free and voluntary act of the company/corporation for
the uses and purposes described in this instrument.

Given under my hand and notarial seal, this _____ day of _____, _____.

_____ My commission expires _____.
Notary Public

Ramsey, MN
L/C:022-0575

Exhibit A

Legal description of the Premises (LOT 4)

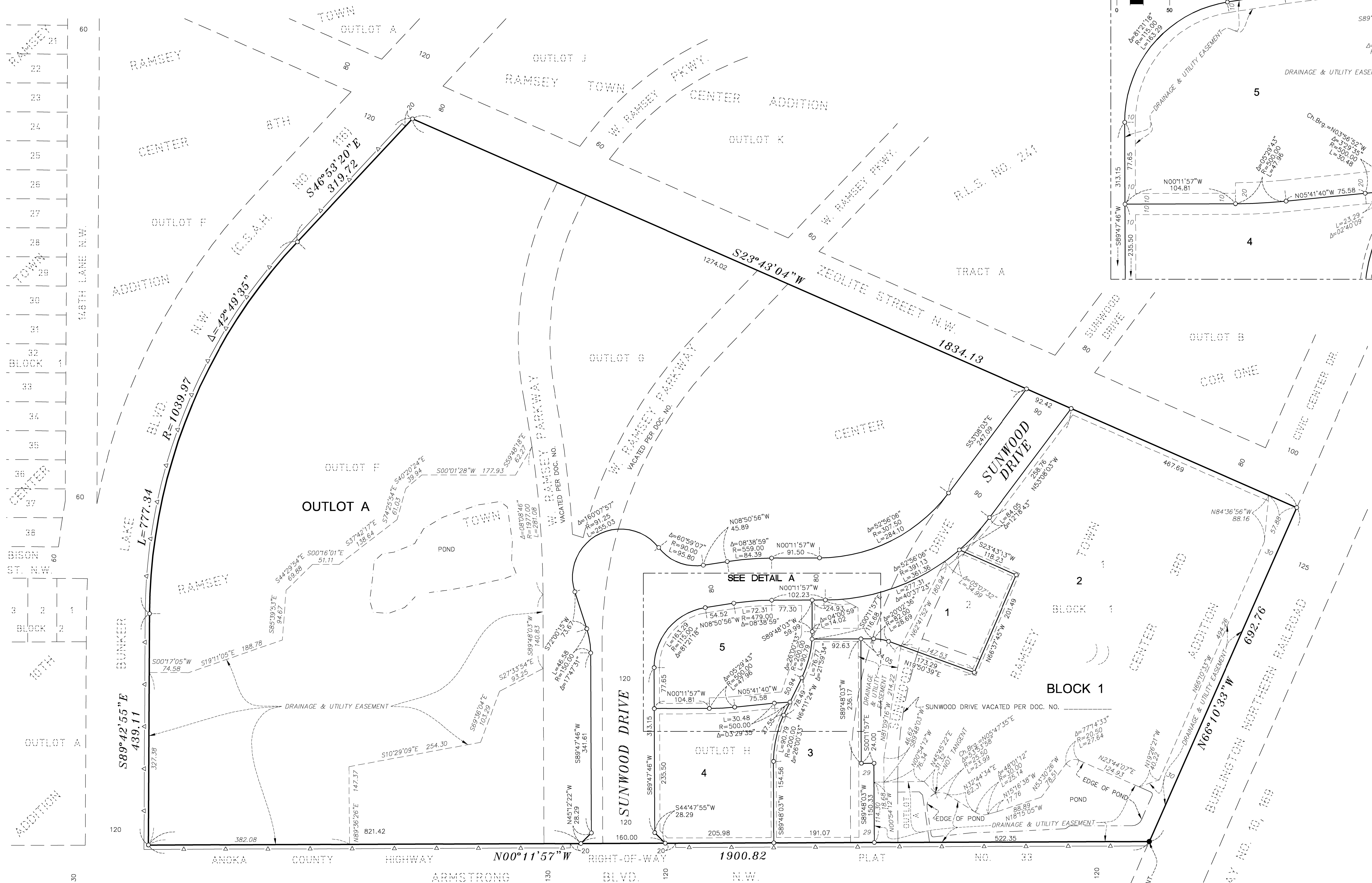
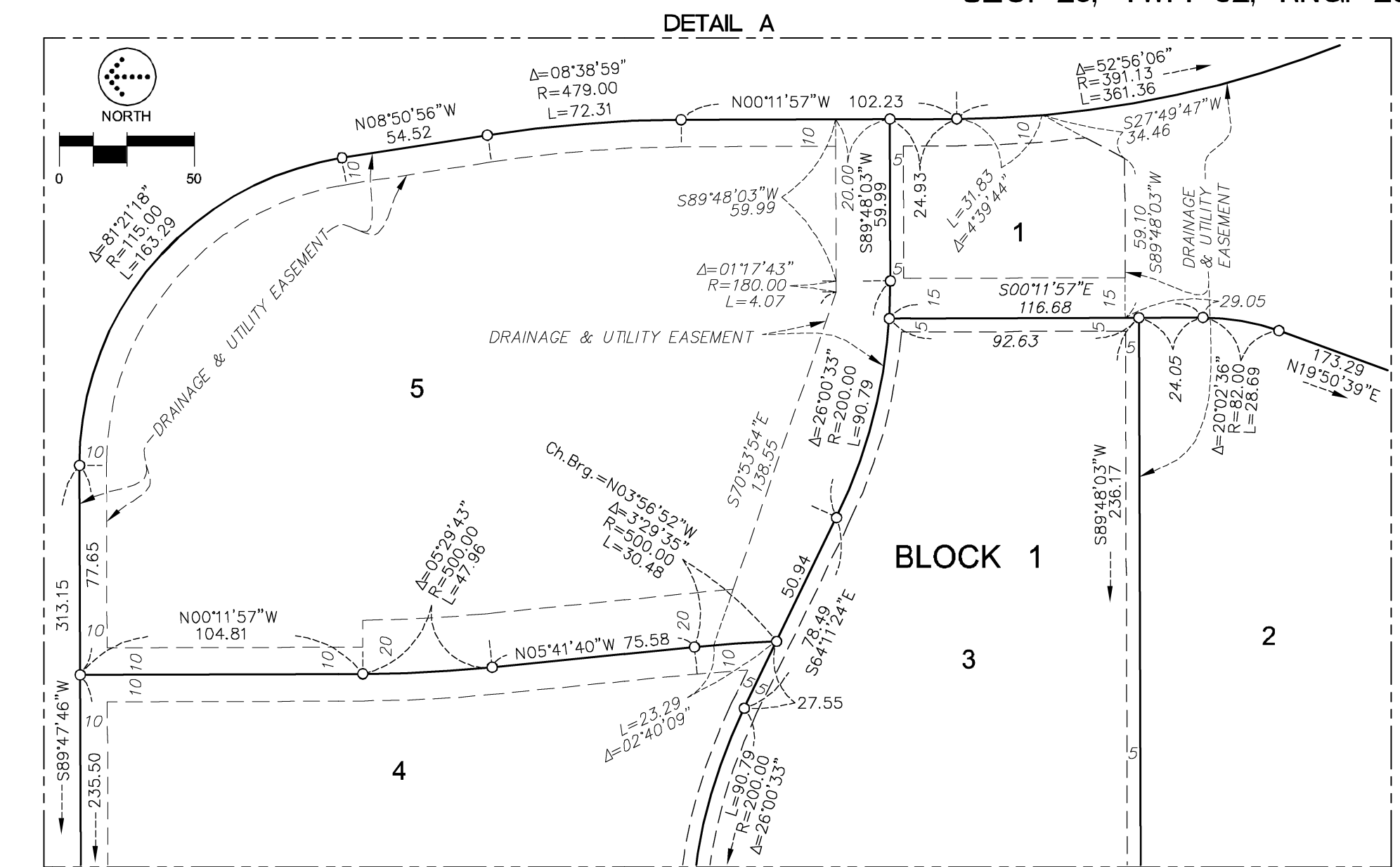
Ramsey, MN
L/C: 022-0575

Exhibit B

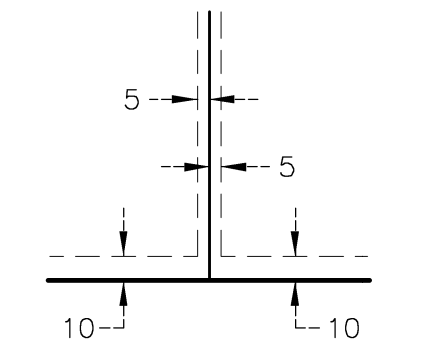
Legal description of Grantor's property (LOT 3)

COR TWO

CITY OF RAMSEY
 COUNTY OF ANOKA
 SEC. 28, TWP. 32, RNG. 25



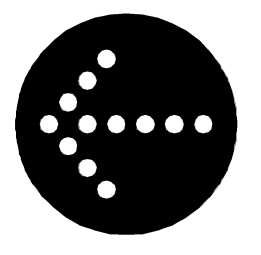
DRAINAGE AND UTILITY EASEMENTS ARE SHOWN AS THUS:
 (NOT TO SCALE)



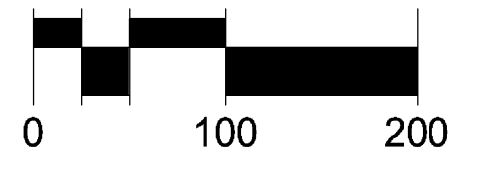
BEING 5 FEET IN WIDTH AND ADJOINING LOT LINES UNLESS OTHERWISE SHOWN AND BEING 10 FEET IN WIDTH AND ADJOINING RIGHT OF WAY LINES UNLESS OTHERWISE SHOWN

FOR THE PURPOSES OF THIS PLAT, THE WEST LINE OF OUTLOT H, RAMSEY TOWN CENTER ADDITION IS ASSUMED TO BEAR NORTH 00 DEGREES 11 MINUTES 57 SECOND WEST

- DENOTES IRON MONUMENT FOUND
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT, SET AND MARKED WITH MINNESOTA LICENSE NO. 47465
- △ DENOTES RIGHT OF WAY DEDICATED TO COUNTY OF ANOKA

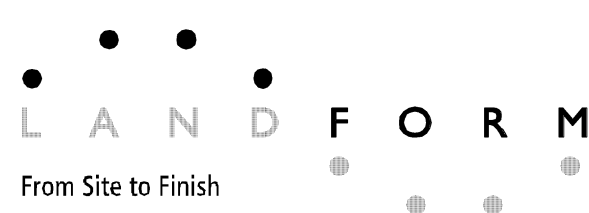


NORTH



SCALE IN FEET
 1 INCH=100 FEET

ALPHA OUTLOT B DEVELOPMENT	HY-10 RAMSEY 2ND ADDITION BLOCK 1	HY-10 RAMSEY 4TH ADDITION BLOCK 1	HY-10 RAMSEY 3RD ADDITION BLOCK 1	147TH AVE. N.W.	HY-10 RAMSEY BLOCK 2	66 146TH AVE. N.W.	HAUSER BLOCK 1 ADDITION
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**DECLARATION OF
SIGNAGE AND RELATED ELECTRICAL LINE EASEMENTS**

OCTOBER ____, 2012

THIS DECLARATION OF SIGNAGE AND RELATED ELECTRICAL LINE EASEMENTS (this "Declaration") is executed by The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota (the "HRA").

RECITALS

A. Recital One. The HRA is the fee owner of Lots 3, 4, and 5, Block 1, COR TWO, Anoka County, Minnesota, according to the plat thereof (sometimes referred to, individually, as "Lot 3," "Lot 4," "Lot 5" or a "Benefited Lot" and sometimes referred to collectively, as the "Benefited Lots" or the "Property").

B. Recital Two. The HRA intends to sell the Benefited Lots to various, unrelated entities.

C. Recital Three. Before conveying the Benefited Lots, the HRA desires to make this Declaration to (i) declare an easement in gross over and across portions of the Property for the benefit of the HRA to construct, maintain, repair, and replace two monument signs, and landscaping around such signs, over and across portions of the Property; (ii) declare an appurtenant easement in favor of each Benefited Lot to give the owners of each Benefited Lot the right to use, maintain, repair and replace one sign cabinet in each of the two monument signs; and (iii) declare an appurtenant easement in favor of each of the Benefited Lots to permit the owner of each Benefited Lot to run electrical lines from the Benefited Lot over portions of the Property to provide electrical service to the sign cabinets located within each of the two monument signs, all subject to the terms and conditions set forth in this Declaration.

D. Recital Four. For purposes of this Agreement, the term "Party" means the HRA or an assignee of the HRA's rights and obligations under this Agreement and each owner of a Benefited Lot.

DECLARATIONS

1. **Declaration of Easements.**

(a) The HRA hereby declares a perpetual, non-exclusive easement in gross for the benefit of the HRA (the "HRA Signage Easement") over the portion of Lot 4 described on the attached Exhibit A-1 (the "Lot 4 Signage Easement Area") and over the portion of Lot 5 described on the attached Exhibit A-2 (the "Lot 5 Signage Easement Area" and together with the Lot 4 Signage Easement Area, the "Signage Easement Areas") for purposes of (i) constructing, operating, using, maintaining, repairing, and replacing one monument sign within each Signage Easement Area (each a "Sign" and collectively, the "Signs"); (ii) planting, installing, maintaining, repairing and replacing lawns and

landscaping within the Signage Easement Areas (the “Landscaping”); and (iii) installing, operating, maintaining, repairing and replacing irrigation equipment within the Signage Easement Areas (the “Sprinklers”). The HRA may install and maintain letters and symbols on the Signs to identify the project currently known as “The COR at Ramsey.”

(b) The HRA hereby declares a perpetual, non-exclusive, appurtenant easement in favor of each Benefitted Lot (each an “Owner Signage Easement”, and together with the HRA Signage Easement, the “Owner Signage Easements”) over and across the Signage Easement Areas to allow the owner of each Benefitted Lot to use, maintain, repair and replace one of the three sign cabinets that the HRA installs in each of the Signs, (each a “Cabinet”). The attached Exhibit B sets forth the location within each Sign of the Cabinet that is assigned to each Benefitted Lot. Owners of a Benefitted Lot may use each of the Cabinets assigned to their Benefitted Lot to display two sign panels (each, a “Panel”, and collectively, the “Panels”). The owner of Benefitted Lots may only use the Cabinets and the Panels assigned to the owner’s Benefitted Lot for signage that advertises, promotes or is otherwise related to the business located on the owner’s Benefitted Lot.

(c) The HRA hereby declares a perpetual, non-exclusive, appurtenant easement in favor of each Benefitted Lot over the portions of the Property that are subject to public drainage and utility easements dedicated in the plat of COR TWO (the “Electrical Line Easement”) for the purpose of installing, maintaining, repairing and replacing electrical lines between the Benefitted Lot and the Cabinets allocated to that Benefitted Lot (the “Electrical Lines”). The rights the Electrical Line Easement gives the owners of the Benefitted Lots are subordinate to the rights of the public in the dedicated public easements. If an owner of a Benefitted Lot installs, maintains, repairs or replaces electrical lines in the Electrical Line Easement, the owner of the Benefitted Lot must do so in a manner that does not unreasonably interfere with the use of the use of the dedicated public easements. **[Does the HRA need an easement in gross to install electrical lines?]**

2. **The Construction and Installation of the Signs, Cabinets, Landscaping and Sprinklers and Electrical Service to the Signs.** This Declaration does not obligate the HRA to construct or install the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines. The construction and installation of the Signs, Cabinets, Landscaping and Sprinklers and Electrical Lines is addressed in the Development Agreement between the HRA and the City of Ramsey and Purchase Agreements and the purchasers of the Benefitted Lots. If the HRA constructs or installs Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines, the HRA must construct and install the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines in a good and workmanlike manner. Construction and installation of the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines may not be undertaken between the hours of 11:00 a.m. and 2:00 p.m., but this restriction does not apply to maintenance or repair of the Signs, Cabinets, Landscaping, Sprinklers or Electrical Lines.

(a) **The Maintenance, Repair and Replacement of Signs, Landscaping and Sprinklers.** If the HRA constructs and installs Signs, Cabinets, Landscaping and Sprinklers, the HRA must maintain, repair, and, if necessary, replace the Signs (exclusive of the Cabinets

and the Panels), Landscaping and Sprinklers. The HRA has no obligation to maintain, repair or replace the Cabinets, or Panels. The HRA must also maintain, repair and replace Electrical Lines located with the Signage Easement Areas. The HRA must keep the Signs (exclusive of the Cabinets and the Panels), Landscaping, Electrical Lines located within the Sign Easement Areas and Sprinklers in good repair and in compliance with all applicable federal, state and local laws, ordinances, rules and regulations (collectively, the "Laws"). The HRA is responsible for connecting the Sprinklers to public water lines and is responsible for cost of water the Sprinklers use. The HRA will perform its obligations under this Section 3 at the HRA's sole cost and expense and without reimbursement from the owners of the Benefitted Lots until the earlier of (a) the City of Ramsey's adoption of an ordinance creating a special service district pursuant to Minnesota Statutes Chapter 428A or a similar district pursuant to special legislation adopted after the execution and recording of this Declaration (either a "Service District") and the HRA's assignment of its rights and obligations under this Declaration to the City to permit the City to perform the obligations of the HRA under this Section 3 as one of the special services the City provides in the Service District or _____, 20___. If the City establishes a Service District that includes the Property and that defines the City's exercise of its rights and performance of its obligations under this Declaration as services the City may provide in the Service District and the HRA assigns its rights and obligations under this Declaration to the City, the City may include the costs the City incurs to exercise its rights and perform its obligations under this Declaration in the charges the City imposes within the Service District. If the City has not established a Service District by _____, 20___, then unless and until the City establishes a Service District that includes the Property and that defines the City's exercise of its rights and performance of its obligations under this Declaration as services the City may provide in the Service District and the HRA assigns its rights and obligations under this Declaration to the City, the owners of the Benefitted Lots are each liable to the HRA or one third of the costs the HRA incurs after _____, 20___ in connection with the exercise of its rights and the perform of its obligations under this Declaration. The owner of each Benefitted Lot must pay any amounts due to the HRA pursuant to this Section 3 to the HRA within thirty (30) days after the owner's receipt of the HRA's invoice. Any amounts not paid within such thirty-day period shall accrue interest from the date thirty (30) days after the owner's receipt of the HRA's invoice until paid at a rate equal to the lesser of twelve percent (12%) per annum or the highest rate allowed by law.

3. **Installation of Panels, Maintenance, Repair and Replacement of Cabinets and Panels.** If the HRA constructs the Signs and installs the Cabinets, the owner of each Benefitted Lot must, at its sole cost and expense, install Panels on the Cabinets assigned to it pursuant to Section 1(c). The owner of each Benefitted Lot must, at its sole cost and expense, maintain, repair and replace its Cabinets and Panels and the Electrical Lines located on its Benefitted Lot and outside the boundaries of the Sign Easement Areas, so that the owner's Cabinets and Panels and those Electrical Lines are, at all times, in good operating condition and repair and in compliance with all Laws. If the owner of any Benefitted Lot should, at any time, choose not to display advertising on its respective Panel for a business located on the Benefitted Lot, that owner shall install blank Panels in its Cabinets. Should the owner of any Benefitted Lot fail to maintain, repair or replace its Cabinets or Panels in accordance with this paragraph, the HRA may, after providing the non-performing owner with not less than sixty (60) days written notice and an opportunity to cure, perform maintenance or repairs on or to or replace the non-performing owners' Cabinets or Panels and charge the costs of such maintenance to the non-

performing owner. The owner of each Benefited Lot must pay any amounts due to the HRA pursuant to this Section 4 to the HRA within thirty (30) days after the owner's receipt of the HRA's invoice. Any amounts not paid within such thirty-day period shall accrue interest from the date thirty (30) days after the owner's receipt of the HRA's invoice until paid at a rate equal to the lesser of twelve percent (12%) per annum or the highest rate allowed by law.

4. **Utility Services and Installation of Electrical Lines Within the Electrical Line Easement.** This Declaration creates the Electrical Line Easement to permit the owner of each Benefited Lot to run their own electrical lines to their Cabinets; however, as of the date of this Declaration, _____ the _____ intention _____ is _____ that

_____. If an owner of a Benefited Lot elects to install electrical lines within the Electrical Line Easement, the owner must first give the owners of each other Benefited Lot over which the owner will be installing electrical lines not less than twenty-one (21) days written notice that the owner intends to perform work within the Electrical Line Easement. An owner performing work within the Electrical Line Easement must perform the work in a good and workmanlike manner, must promptly restore any lawns or landscaping located within the Electrical Line Easement which are disrupted by the owner's work and must indemnify the owners of the other Benefited Lots and hold the owners of the other Benefited Lots harmless from any mechanics liens arising out of or relating to the owner's work within the Electrical Line Easement.

5. **Covenants and Restrictions Relating to Construction, Maintenance and Repair Activities.** Before commencing the construction of improvements or replacement improvements on another Party's Benefitted Lot pursuant to a right granted or declared under Section 1 or an obligation imposed under Section 2, 3 or 4, the Party exercising the right or performing the obligation must give the owner or owners of the Benefitted Lot or Benefitted Lots where the construction will occur not less than ten (10) days written notice of the commencement date of the work, the nature of the work to be performed and an estimated completion date for the work. The Party giving the notice must use commercially reasonable efforts to complete the work on or before the completion date stated in the notice. This notice does not apply to a Party's exercise of its right to operate, use, maintain or repair improvements or the performance of its obligation to maintain and repair improvements, that are located on another Party's Benefitted Lot. A Party performing work on another Party's Benefitted Lot must perform such work in a good and workmanlike manner, must comply with all Laws, must use commercially reasonable efforts to any lawns or landscaping damaged as a result of the work (other than lawns and landscaping that are intentionally removed as a part of the work) and must remove all of its equipment, tools, trash and debris from the other Party's Benefitted Lot upon the completion of the work. If the work is in the Electrical Line Easement, the Party must also restore any curbs, gutters or paving damaged as a result of the work. The easements granted in this Agreement do not give the Parties the right to park or store any construction vehicles, equipment or materials within the easements granted herein for periods longer than 12 hours. A Party who is exercising its rights or performing its obligations under this Agreement must use commercially reasonable efforts to perform the work in a manner that does not unreasonably interfere with the operation of the businesses located on the other Parties' Benefitted Lots. If a Party damages improvements located on portions of another Party's Benefitted Lot that are

outside of the Signage Easement Areas and outside the boundaries of the Electrical Line Easement, the Party causing the damage must promptly notify the owner of the Benefitted Lot upon which the damaged improvement is located of the damage and must commence and diligently pursue, to completion, repair or restoration of the damaged improvement to the condition that existed immediately before the damage occurred within thirty (30) days after the occurrence of the damage.

6. **Assignment.** The HRA may assign the HRA Signage Easement and all of its other rights and obligations under this Declaration to a third party upon notice to but without the need to obtain consent from the owners of the Benefitted Lots. Any such assignment is effective upon recording. Upon the recording of such an assignment, the HRA is relieved of all of its rights under this Declaration and all of its obligations under this Declaration which first arise on or after the date the Assignment is recorded. The owner of a Benefitted Lot may not assign, transfer, or lease any of its right under this Declaration except that upon a transfer of title to a Benefitted Lot, the successor in title to the Benefitted Lot succeeds to all of the rights and obligations of the prior owner under this Declaration and the prior owner is relieved of all of its rights under this Declaration and all of its obligations under this Declaration which first arise on or after the date the transfer of title is recorded.

7. **Run With Title.** The benefit and the burden of the Owner Signage Easements, the Electrical Line Easement, and the covenants and restrictions set forth in this Declaration run with title to the Property and inure to the benefit of and are binding upon all owners of all or any portion of the Property and upon their respective personal representatives, heirs, corporate successors, successors in title and assigns.

8. **Amendment.** No amendment, modification or termination of this Declaration shall be effective unless made by written instrument signed by the HRA and the owner of each Benefitted Lot or their respective successors and assigns.

9. **Enforcement.** The HRA and its assigns and the owners of any Benefitted Lot and their respective successors in title and assigns may enforce this Declaration in a legal or equitable action brought in a court of competent jurisdiction, and the prevailing party in any such action is entitled to recover from the opposing party the prevailing party's attorney's fees and costs. No waiver by either party of any default under this Declaration shall be effective or binding upon such party unless made in writing. No waiver of any default shall be deemed a waiver of any other or subsequent default hereunder. Neither party shall have the right to unilaterally terminate this Declaration.

10. **Estoppel Certificates.** The HRA and the owners of each Benefitted Lot, and their successors and assigns, must, from time to time upon not less than thirty (30) days notice from the other party, execute and deliver to the other party a certificate in recordable form stating that this Declaration is unmodified and in full force and effect or, if modified, that this Declaration is in full force and effect, as modified, and stating the modifications and stating whether or not, to the best of its knowledge, any other party is in default in any respect under this Declaration, and if in default, specifying such default.

11. **Merger.** It is the intention of the HRA that the Owner Signage Easements and Electrical Line Easement it is declaring in this Declaration with respect to the Property shall not merge into the HRA's or any successor owner's ownership of all or any portion of the Property.

12. **Counterparts.** This Declaration may be executed in multiple counterparts, each of which will be deemed an original and all of which shall constitute one agreement. Signatures to any counterpart shall be deemed to be signatures to, and may be appended or attached to, any other counterpart.

13. **Headings.** The headings of Sections in this Declaration are for convenience only. They form no part of this Declaration and shall not affect its interpretation. All schedules, exhibits, addenda or attachments referred to are incorporated and made a part of this Declaration.

14. **Integration.** This Declaration sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements, whether written or oral.

15. **Governing Law.** This Declaration shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the HRA has executed this Declaration effective as of the date and year first above written.

DECLARANT:

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA, a public body
politic and corporate under the laws of the state
of Minnesota

By: _____
Its: Chair

By: _____
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me on December __, 2011, by _____ and _____, the chair and executive director of the Housing and

Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota, on behalf of said public body.

Signature of Notary Public

**DRAFTED BY AND WHEN
RECORDED RETURN TO:**
Briggs and Morgan, P.A. (CJC)
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
(612) 977-8400

EXHIBIT A-1

Legal Description of Lot 4 Signage Easement Area

THAT PART OF LOT 4, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE SOUTH 89 DEGREES 47 MINUTES 46 SECONDS WEST, ASSUMED BEARING ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 202.17 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 14 SECONDS EAST, A DISTANCE OF 13.33 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 46 SECONDS WEST, PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 46.67 FEET TO THE NORTHWEST LINE OF SAID LOT 4; THENCE NORTH 44 DEGREES 47 MINUTES 55 SECONDS EAST, ALONG SAID NORTHWEST LINE, A DISTANCE OF 18.86 FEET TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE NORTH 89 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 33.33 FEET TO THE POINT OF BEGINNING.

EXHIBIT A-2

Legal Description of Lot 5 Signage Easement Area

THAT PART OF LOT 5, BLOCK 1, COR TWO, ANOKA COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 5; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, ASSUMED BEARING ALONG THE EAST LINE OF SAID LOT 5, A DISTANCE OF 26.50 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 16 MINUTES 25 SECONDS WEST, A DISTANCE OF 23.50 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 57 SECONDS WEST, PARALLEL WITH SAID EAST LINE A DISTANCE OF 17.00 FEET; THENCE NORTH 89 DEGREES 16 MINUTES 25 SECONDS EAST, A DISTANCE OF 23.50 FEET TO SAID EAST LINE; THENCE SOUTH 00 DEGREES 11 MINUTES 57 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 17.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Location of each Benefited Lot's Cabinet within the Signs

HRA Special Session

5. 4.

Meeting Date: 10/16/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Approve Contract for Design Services - Sunwood Retail

Background:

As part of a previous case, if the HRA moves to proceed with the development of the Sunwood Retail area, there are a number of design and construction related items necessary to complete the work.

Notification:

Observations:

Attached is a work order outlining the construction documents, specifications, construction staking, and construction administration costs associated with the project.

Recommendation:

Based on discussion in previous items, if the HRA chooses to proceed with the development, the development team recommends the HRA proceed with the work outlined in the attached work order, and direct staff to execute the agreement.

Funding Source:

Future Land Sales

Council Action:

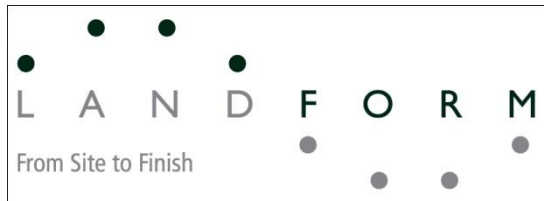
Approve Work Order number RAM12025 for \$58,100 and direct staff to execute the agreement and proceed with the effort outlined.

Attachments

Work Order

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	10/11/2012 03:20 PM
Form Started By: Darren Lazan		Started On: 10/11/2012 09:31 AM
Final Approval Date: 10/11/2012		



105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

WORK ORDER

DATE	10/11/2012	CONTRACT NO.	RAM12025
CLIENT INFORMATION		BILLING INFORMATION (IF DIFFERENT FROM CLIENT)	
COMPANY NAME	City of Ramsey HRA	COMPANY NAME	
CLIENT CONTACT	Kurt Ulrich	CONTACT	
ADDRESS	7550 Sunwood Drive	ADDRESS	
CITY, STATE, ZIP	Ramsey, MN 55303	CITY, STATE, ZIP	
PHONE/FAX	763-433-9845 / 763-427-5543	PHONE/FAX	

PROJECT INFORMATION

PROJECT NAME	Sunwood Retail	PRINCIPAL	Darren Lazan
PROJECT DESCRIPTION	Design and construction administration for common improvements related to Sunwood Retail	STUDIO/DEPT	RCD
	The COR – SE intersection of Armstrong Blvd. and Sunwood Dr.	EST. START DATE	Immediately
PROPERTY LOCATION	Sunwood Dr.	EST. COMPLETE DATE	60 Days
CITY, STATE, ZIP	Ramsey, MN 55303	PROJECT MANAGER	Darren Lazan
PIN:		PHASE MANAGER	Darren Lazan

SCOPE OF SERVICES LANDFORM AGREES TO PERFORM PROFESSIONAL SERVICES FOR THE CLIENT AS FOLLOWS:

PHASE	DESCRIPTION	TASK	BILLING MESSAGE
30	Design Development	Prepare preliminary site plans, utility plans, grading/drainage plans, LS plans, and related documents for city approval process.	\$10,000.00 (Fixed Fee)
50	Construction Documents	Prepare final site plans, utility plans, grading/drainage plans, LS plans, and related documents construction purposes.	\$20,000.00 (Fixed Fee)
55	Final Approval Process	Watershed approval efforts (Lot 3, Block 1, COR Two and Vacated Sunwood Dr. R/W share)	\$4,600.00 (Fixed Fee)
70	Construction Staking	Construction staking for Sunwood Retail common improvements and Lot 3, Block 1, COR Two parking lot.	\$8,500.00 (Fixed Fee)
80	Construction Administration	Provide professional services related to the construction of the common improvements for Sunwood Retail including but not limited to, respond to RFIs, on-site observation, prepare punch list, attend meetings, and prepare record drawings.	\$15,000.00 (Hourly w/ Est.)

Reimbursable Expenses, including but not limited to Mileage, Plotting, Printing, Scanning, and Subconsultants are not included in the fees below and will be billed as a reimbursable expense at 1.15 times cost.

FEES (RATE SCHEDULE IS AVAILABLE UPON REQUEST FOR HOURLY CONTRACTS)

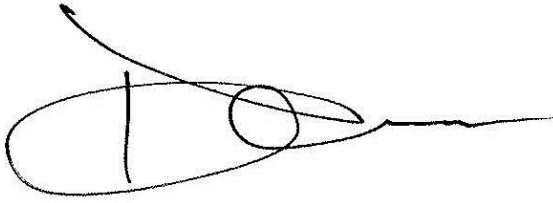
<input checked="" type="checkbox"/>	FIXED FEE	FIXED FEE AMOUNT: \$43,100.00	Plus Typical Reimbursables
<input checked="" type="checkbox"/>	HOURLY WITH AN ESTIMATE	ESTIMATE FEE: \$15,000.00	RATES 2012 Rate Schedule
<input type="checkbox"/>	HOURLY TO A MAXIMUM	MAXIMUM FEE:	RATES

IN WITNESS WHEREOF, the parties have accepted, made and executed this agreement upon the terms, conditions and provisions stated above and on the attached General Conditions including, but not limited to, provisions relating to limitations on liability of Consultant.

Accepted By:

Landform

City of Ramsey HRA

A handwritten signature in black ink, appearing to read 'Darren Iazan'. The signature is stylized with a large loop and a vertical line through it.

Darren Iazan
Vice President

Date: 10.11.2012

Landform Federal Tax ID: 27-1199905

Date:

General Conditions

1. All required services outside SCOPE OF WORK outline will be provided upon the CLIENT'S request and will be billed at the rates quoted on the CURRENT FEE SCHEDULE. A copy of the CURRENT FEE SCHEDULE has been made available to CLIENT or is attached hereto. Rates and multiples for Additional Services and other services as set forth in the fee schedule shall be adjusted annually in accordance with normal salary review practices of Consultant.
2. Fees outlined in this contract will be adhered to subject to site conditions and criteria set forth by the CLIENT and requirements of all applicable governmental agencies, utility companies, etc., in effect on the date of the CONSULTANT'S signing of this contract. No work by the CONSULTANT will commence until fully dimensioned and client-approved plans have been received from CLIENT. Subsequent changes to the plans, which require additional work by the CONSULTANT, will result in extra charges at the rates quoted on the CURRENT FEE SCHEDULE.
3. Field staking will be performed one time only for the fees quoted. Any restaking due to the loss of stakes beyond the CONSULTANT'S control will be billed at the rate on the CURRENT FEE SCHEDULE. In addition, fees outlined for field survey and construction staking are subject to the CONSULTANT being able to perform each item without delays beyond its control. The CLIENT shall request construction-staking items a minimum of two (2) working days in advance of when desired.
4. In the event that a question or claim may arise as to an error or omission in the CONSULTANT'S work or plans, the CONSULTANT will assume no liability for errors or omissions unless notified within 48 hours of the client's discovery of such. If notified within 48 hours, the CONSULTANT will have the right to remedy any such errors or omissions within a reasonable and agreed upon time thereafter, at no additional cost to the CLIENT. The CONSULTANT will assume no liability for construction staking unless all stakes are maintained intact and verified as to their origin.
5. The CLIENT shall give separate authorization to the CONSULTANT to commence each item of work as outlined in the SCOPE OF WORK.
6. CLIENT will be billed monthly, based upon percentage of work completed and/or hourly charges and reimbursable costs. Invoices are due and payable upon presentation. Objections to invoices not made in writing within thirty (30) days of the billing date are waived. A FINANCE CHARGE of one and one half percent (1.5) per month (18% ANNUAL PERCENTAGE RATE) will be added to portions of accounts over 30 days past due. FINANCE CHARGES may be compounded. CLIENT's failure to make timely payments is justification for suspension of all services and withholding of all deliverables until payment is received or other written agreements made. CONSULTANT shall be entitled to recover all costs, expenses and fees incurred by CONSULTANT (including litigation and arbitration fees and costs, reasonable attorneys' fees, and CONSULTANT's internal labor at the rates quoted on the CURRENT FEE SCHEDULE) due to CLIENT's failure to make timely payments.
7. This Agreement may be terminated by either party upon seven (7) days' written notice. In the event of any termination, the CONSULTANT will be paid for all services rendered to the date of termination plus unpaid reimbursable expenses. Such termination shall not affect the parties' accrued rights and liabilities as of the date of termination. Without limiting the generality of the foregoing, paragraphs 4, 6, 9, 10, 11, 12, 14, 15, and 16 of these General Conditions shall survive any cancellation, expiration, or termination of this Agreement.
8. The CONSULTANT will not be responsible for the cost of permits, title company charges, governmental review fees, soil reports, printing, photographic charges, etc. as applicable, except those printing charges necessary for the CONSULTANT to do it's work. The CONSULTANT will be reimbursed for such charges paid by it for the CLIENT at the rates quoted on the CURRENT FEE SCHEDULE.
9. The CONSULTANT will not be responsible or liable for the following:(a) Any use of plans, surveys, specifications, etc. not signed and sealed by the CONSULTANT and approved by the appropriate governmental agencies; (b) Inaccuracy of data, plans, legal descriptions or any other information supplied by the CLIENT or others; (c) Site soil, hydrologic, or geologic conditions; (d) Changes to the plans and specifications made by the CLIENT or others; (e) Job site conditions; or (f)The performance of work on this project by any construction contractor or third party.
10. All original work will be property of the CONSULTANT. The CLIENT at its request will be furnished with reproducible copies as a reimbursable expense. All documents furnished by the CONSULTANT are instruments of its service. They are not suitable for reuse or extensions of this project or any other project. CONSULTANT is the author of these documents and retains all common law, statutory and/or reserved rights, including copyright. Any reuse without specific written approval by the CONSULTANT in each case will be at the sole risk of the user and without liability or legal exposure to the CONSULTANT.
11. Neither the CLIENT nor the CONSULTANT shall assign, sublet or transfer any rights under or interest in the contract without the written consent of the other. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the CLIENT or CONSULTANT.
12. The CONSULTANT makes no representation concerning any cost estimate figures made in connection with maps, plans, specifications or drawings other than that all cost figures are estimates only and the CONSULTANT shall not be responsible for fluctuations in costs or quality figures.
13. The CLIENT agrees to cooperate in every way requested by the CONSULTANT to expedite the completion of the work set forth in the contract. The CLIENT agrees to provide the CONSULTANT access to the property involved and to make available any records, documents, deeds, legal descriptions or other items requested by the CONSULTANT for the reasonable pursuit of the completion of the work.
14. The CONSULTANT makes no warranty, either expressed or implied, as to its services. Services will be performed in accordance with generally accepted engineering and/or surveying practices.
15. Any claim, dispute or other matter in question arising out of or relating to this Agreement or breach thereof ("Claim") in which the aggregate amount in controversy exclusive of interest, attorneys' fees and costs, is less than or equal to \$100,000 shall be decided by binding arbitration in Minneapolis in accordance with the Construction Industry Rules of the American Arbitration Association. Judgment on any award by the arbitrator(s) shall be enforceable in any court having jurisdiction. Any Claim in which the aggregate amount in controversy, exclusive of interest, attorneys' fees and costs, is greater than \$100,000 shall be resolved by litigation in the State or Federal Court located within Hennepin County, Minnesota. Consultant and Client expressly consent to the exclusive personal jurisdiction and venue of the Minnesota courts for all purposes relating to this Proposal. The parties waive trial by jury. This Agreement shall be governed by Minnesota law, without regard to conflicts of law principles.
16. CONSULTANT'S TOTAL LIABILITY TO CLIENT FOR ANY LOSS, CLAIM OR DAMAGE ARISING OUT OF THE NEGLIGENCE OR OTHER LEGAL FAULT OF CONSULTANT IN PERFORMING ITS SERVICES SHALL BE LIMITED TO THE GREATER OF (I) THE AMOUNT STATED IN THIS PROPOSAL AS COMPENSATION FOR CONSULTANT'S BASIC SERVICES, OR (II) THE LIMITS OF ANY INSURANCE ACTUALLY AVAILABLE TO THE CONSULTANT. AT ANY TIME PRIOR TO COMMENCEMENT OF SERVICES. CLIENT MAY, BY PAYING A 20% PREMIUM IN ADDITION TO CONSULTANT'S FEE, ELIMINATE THIS LIMITATION ON LIABILITY. In no event shall CONSULTANT be liable for loss of profits, loss of use, loss of revenue, or any or special, indirect or consequential damages of any kind.
17. **NOTICE OF LIEN RIGHTS (MINNESOTA): (a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**
18. There are no understandings or agreements except as herein expressly stated.

HRA Special Session

5. 5.

Meeting Date: 10/16/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Approve Agreement Related to Pre-payment - The Residence at The COR

Background:

Flaherty and Collins, the developer of The Residence at The COR, has offered an early principal reduction payment of \$500,000 on their current construction financing note. This note has specific principal reduction payments due roughly 12 and 18 months following the first draw which occurred earlier this summer.

PNC Bank, the primary lender on the project, has reviewed the progress to date, and has allowed an exception in their agreements to allow F&C to draw down their developer's fee (which according to the agreement has been withheld until the completion of the project) for the purposes of advancing payment to the city.

Notification:

Recommendation:

The development team recommends the HRA accept the \$500,000 early principal reduction payment, direct the team to execute the agreement, and transfer funds as outlined in the agreement.

Funding Source:

N/A

Council Action:

Accept the \$500,000 early principal reduction payment, direct the team to execute the agreement, and transfer funds as outlined in the agreement.

Attachments

Agreement with PNC for early principal payment

Bray Memo

Form Review

Inbox Kurt Ulrich	Reviewed By Kurt Ulrich	Date 10/11/2012 02:57 PM
Form Started By: Darren Lazan		Started On: 10/11/2012 09:30 AM
Final Approval Date: 10/11/2012		

AGREEMENT REGARDING PREPAYMENT

1. Recitals.

- 1.1 Recital One. PNC Bank, National Association, a national banking association (the "Bank"), F&C Ramsey Apartments, LLC, an Indiana limited liability company (the "Borrower"), F&C Ramsey Members, LLC, an Indiana limited liability company (the "Mezzanine Borrower"), the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic incorporated under the laws of the State of Minnesota (the "Creditor") and the City of Ramsey, Minnesota, a home rule charter city organized and existing under the constitution laws of the State of Minnesota (the "City") are parties to a Debt Subordination Agreement dated and entered into as of March 9, 2012 (the "Debt Subordination Agreement").
- 1.2 Recital Two. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings given to them in the Debt Subordination Agreement.
- 1.3 Recital Three. Under the terms of the Debt Subordination Agreement, Creditor has irrevocably subordinated and postponed the payment and time of payment of all of the "Subordinated Debt", as defined in the Debt Subordination Agreement and all claims and demands arising therefrom to the "Obligations", as defined in the Debt Subordination Agreement, and directed that the Obligations be paid in full before the Subordinated Debt.
- 1.4 Recital Four. Notwithstanding the other provisions of the Debt Subordination Agreement, Section 3 of the Debt Subordination Agreement allows Mezzanine Borrower to make certain pre-payments to Creditor.
- 1.5 Recital Five. Mezzanine Borrower desires to make a Five Hundred Thousand Dollars (\$500,000.00) prepayment to Creditor of amounts due from Mezzanine Borrower to Creditor under that certain Note No. 2 - Promissory Note dated April 30, 2012 in the original Principal Amount of Six Million, Nine Hundred and Sixteen Thousand Dollars (\$6,916,000.00) (the "Prepayment"). Mezzanine Borrower is making the Prepayment from the proceeds of Mezzanine Borrower's draw for "Developer Overhead" under the above referenced Note No. 2.
- 1.6 Recital Six. The Prepayment is not a permitted prepayment under Section 3 of the Debt Subordination Agreement, but Bank has agreed to allow Mezzanine Borrower to make the Prepayment to Creditor.
- 1.7 Recital Seven. Creditor has agreed to accept the Prepayment subject to the execution of this Agreement by Bank, Borrower, Mezzanine Borrower and Creditor to confirm Bank's and Borrower's consent to the Prepayment and to evidence Bank's waiver of Bank's rights under the Debt Subordination Agreement with respect to the Prepayment only, including, but not limited to, Bank's rights under Section 10 of the Debt Subordination Agreement.

1.8 Recital Eight. As set forth in the Debt Subordination Agreement, the City of Ramsey, Minnesota, was a party to the Debt Subordination Agreement solely with respect to Section 31 of the Debt Subordination Agreement which Section 31 is not impacted or affected by this Agreement. Therefore, the City of Ramsey, Minnesota, is not a party this Agreement.

2. Agreement. Bank, Borrower, Mezzanine Borrower and Creditor agree that, notwithstanding the provisions in the Debt Subordination Agreement: (i) Mezzanine Borrower may make and Creditor may accept the Prepayment, (ii) Bank expressly waives the provisions of the Debt Subordination Agreement with respect to the Prepayment and Creditor's acceptance of the Prepayment (but not with respect to any other or future prepayment or Creditor's acceptance of any other or future prepayment); (iii) neither the Prepayment nor Creditor's acceptance of the Prepayment is subject to the provisions of Section 10 of the Debt Subordination Agreement; and (iv) Creditor shall have no obligation to remit the proceeds of the Prepayment to Bank and Bank shall have no right to recover the proceeds of the Prepayment from Creditor pursuant to Section 10 of the Debt Subordination Agreement or otherwise.

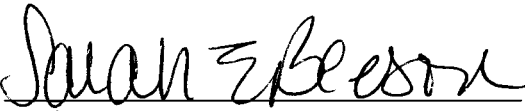
3. Impact on Debt Subordination Agreement. Except as modified by this Agreement, the Debt Subordination Agreement remains unmodified and in full force and effect.

(Signature Appear on the Following Pages)

IN WITNESS WHEREOF, the undersigned has executed this Prepayment Agreement as of the 27th day of September, 2012.

“BANK”

PNC BANK, NATIONAL ASSOCIATION,
a national banking association

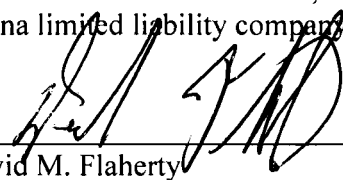
By: 
Sarah E. Beeson
Its: Vice President

(This is a signature page to the Prepayment Agreement by and between PNC Bank, National Association, F&C Ramsey Apartments, LLC, F&C Ramsey Members, LLC, and the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota)

"BORROWER"

F&C RAMSEY APARTMENTS, LLC,
an Indiana limited liability company

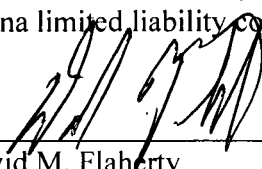
By: _____


David M. Flaherty

Its: Manager

(This is a signature page to the Prepayment Agreement by and between PNC Bank, National Association, F&C Ramsey Apartments, LLC, F&C Ramsey Members, LLC, and the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota)

“MEZZANINE BORROWER”
F&C RAMSEY MEMBER, LLC,
an Indiana limited liability company

By: 
David M. Flaherty
Its: Manager

(This is a signature page to the Prepayment Agreement by and between PNC Bank, National Association, F&C Ramsey Apartments, LLC, F&C Ramsey Members, LLC, and the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota)

“CREDITOR”

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA

a public body politic incorporated under the laws of
the State of Minnesota

By: _____

Colin J. McGloine

Its Chairperson

And

By: _____

Kurtis G. Ulrich

Its Executive Director

(This is a signature page to the Prepayment Agreement by and between PNC Bank, National Association, F&C Ramsey Apartments, LLC, F&C Ramsey Members, LLC, and the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota)



2200 IDS Center
80 South 8th Street
Minneapolis MN 55402-2157
tel 612.977.8400
fax 612.977.8650

September 14, 2012

Thomas L. Bray
(612) 977-8285
tbray@briggs.com

VIA E-MAIL RCRONK@FLAHERTYCOLLINS.COM

Ryan Cronk
Flaherty & Collins Properties
Suite 1200
8900 Keystone Crossing
Indianapolis, IN 46240

**Re: The Housing and Redevelopment Authority in and for the City of Ramsey,
Minnesota - Development Agreement with F&C Ramsey Apartments, LLC
et. al.
Client Matter No. 12952.47**

Dear Ryan:

I have reviewed the Prepayment Certificate which you sent to Diana Lund earlier today. Having had more time to review the Prepayment Certificate, I have come to realize that it is really intended to satisfy requirements of PNC Bank, National Association, set forth in the Loan Agreement between F&C Ramsey Apartments, LLC, and PNC Bank and could not easily be modified to address the HRA's concerns under the Debt Subordination Agreement. Therefore, I have prepared a separate document to address the HRA's concerns, a copy of which is attached.

Please review the attached Agreement, provide a copy to PNC Bank for its review and let me know whether F&C Ramsey Member, LLC or PNC Bank, National Association have any comments or concerns regarding the Agreement.

In preparing this Agreement, I did, however, review the Prepayment Certificate which you provided to the City and I note the following:

1. The first paragraph of the Prepayment Certificate indicates that the Prepayment Certificate is given pursuant Section 9.29. I am not certain that I have the final version of the Loan Agreement between F&C Ramsey Apartments, LLC and PNC Bank, National Association, but based on the draft I do have (Document No. 1615794v6), it does not appear to me that this Prepayment is one of the Prepayments contemplated by Section 9.29 of the Loan Agreement.
2. Paragraph 1 of the Prepayment Certificate states that Borrower is making the principal prepayment to Mezzanine Lender. I do not believe that is correct.

Briggs and Morgan, Professional Association
Minneapolis | St. Paul | www.briggs.com

Member - Lex Mundi, a Global Association of Independent Law Firms

Ryan Cronk
September 14, 2012
Page 2

Under the terms of the F&C Ramsey Apartments, LLC's Loan Agreement with PNC Bank, National Association, F&C Ramsey Apartments, LLC, is defined as the "Borrower" and F&C Ramsey Member, LLC, is defined as the "Mezzanine Borrower". I believe Mezzanine Borrower is making the prepayment.

3. Paragraph 1 and the "Consent to Prepayment" section of the Prepayment Certificate state that Borrower is making a payment of principal under Loan No. 1 (as defined in the Development Agreement). I do not believe that is your intent since Mezzanine Borrower does not receive any credit for prepayments under Loan No. 1. I assume it is your intent to make a \$500,000.00 prepayment under Loan No. 2.

Again, if you have any questions or concerns regarding the attached, proposed Agreement, please call me at (612) 977- 8285.

Very truly yours,



Thomas L. Bray

TLB/wf

cc: Darren Lazan
Stephen Lee
Curtis Ulrich
Diana Lund

HRA Special Session

5. 6.

Meeting Date: 10/16/2012

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Approve Option Agreement - Edgewood Management Group (portions may be closed to the public)

Background:

At a previous work session, the HRA provided consensus direction to proceed with the preparation of an agreement with Edgewood Management Group for the sale of property within The COR.

As you may recall, there was extensive discussion as to the site location and pricing strategies for this potential sale.

Notification:

Observations:

The development team has prepared an option agreement and associated purchase agreements allowing Edgewood 60 days to perform certain internal studies and select one of two sites outlined. The related purchase agreement would then be effective, granting them additional time to perform their due diligence on the selected site, and eventually close on that parcel.

The development will provide the agreement to HRA members via separate email prior to the meeting.

The Development team will review all components of the proposed sale at the meeting.

Recommendation:

The development team recommends the HRA accept the option and purchase agreements outlined and adapt a resolution allowing the HRA Chair and Executive Director to execute the agreement.

Funding Source:

N/A

Council Action:

Accept the option and purchase agreements outlined and adapt a resolution allowing the HRA Chair and Executive Director to execute the agreement.

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
10/11/2012 02:54 PM
Started On: 10/11/2012 09:29 AM

Form Started By: Darren Lazan

Final Approval Date: 10/11/2012